DOCKET

SUPREME COURT
OF THE UNITED STATES

No. 12-1315
Title: Paula Petrella, Petitioner
v.
Metro-Goldwyn-Mayer, Inc., et al.
Docketed: May 3, 2013
Lower Ct: United States Court of Appeals for the Ninth Circuit
Case Nos.: (10-55834, 10-55853)
Decision Date: August 29, 2012
Rehearing Denied: January 30, 2013
Questions Presented

~~Date~~~	~~~~~~~Proceedings and Orders~~~~~~~~~~~~~~~~~~~~
Apr 30 2013	Petition for a writ of certiorari filed. (Response due June 3, 2013)
May 16 2013	Order extending time to file response to petition to and including August 2, 2013.
Jun 3 2013	Brief amicus curiae of Califorina Society of Entertainment Lawyers filed.
Aug 2 2013	Brief of respondents Metro-Goldwyn-Mayer, Inc., et al. in opposition filed.
Aug 20 2013	Reply of petitioner Paula Petrella filed. (Distributed)
Aug 21 2013	DISTRIBUTED for Conference of September 30, 2013.
Oct 1 2013	Petition GRANTED.
Oct 4 2013	Consent to the filing of amicus curiae briefs, in support of either party or of neither party, received from counsel for the petitioner.
Oct 9 2013	Consent to the filing of amicus curiae briefs, in support of either party or of neither party, received from counsel for the respondents.
Nov 4 2013	SET FOR ARGUMENT ON Tuesday, January 21, 2014.
Nov 15 2013	Joint appendix filed. (Statement of costs filed)
Nov 15 2013	Brief of petitioner Paula Petrella filed.
Nov 19 2013	Record from the U.S.C.A. for 9th Circuit is electronic and located on PACER. There are SEALED documents in this record.
Nov 20 2013	Brief amici curiae of Southwestern Law Students Orly David, and Andrew Pruitt, and Profesors Robert C. Lind and Michael M. Epstein filed. (Distributed)
Nov 21 2013	CIRCULATED.
Nov 21 2013	Brief amicus curiae of California Society of Entertainment Lawyers filed. (Distributed)
Nov 21 2013	Brief amici curiae of Professor Robin Feldman, et al. filed. (Distributed)
Nov 21 2013	Record received from the U.S.D.C. for the Central District of California

(Western District - LA) is electronic and located on PACER. Also received are SEALED documents in this record, which consist of Volume 1 - Volume 6. (1 box)

Nov 22 2013 Brief amicus curiae of the United States filed. (Distributed)

Nov 22 2013 Brief amici curiae of Authors Guild, Inc., et al. filed. (Distributed)

Nov 22 2013 Brief amici curiae of Douglas Laycock, et al. filed. (Distributed)

Nov 22 2013 Brief amicus curiae of Ralph Oman, Former Register of Copyrights of the United States filed. (Distributed)

Nov 22 2013 Brief amicus curiae of American Intellectual Property Law Association in support of neither party filed.

Dec 6 2013 Motion of the Solicitor General for leave to participate in oral argument as amicus curiae and for divided argument filed.

Dec 16 2013 Brief of respondents Metro-Goldwyn-Mayer, Inc., et al. filed. (Distributed)

Dec 23 2013 Brief amicus curiae of Association for Competitive Technology filed. (Distributed)

Dec 23 2013 Brief amici curiae of Dish Network L.L.C., et al. filed. (Distributed)

Dec 23 2013 Brief amicus curiae of New England Legal Foundation filed. (Distributed)

Dec 23 2013 Brief amicus curiae of Chamber of Commerce of the United States of America filed. (Distributed)

Dec 23 2013 Brief amicus curiae of DRI - The Voice of the Defense Bar filed. (Distributed)

Dec 23 2013 Brief amicus curiae of T. Leigh Anenson filed. (Distributed)

Dec 23 2013 Brief amici curiae of The Motion Picture Association of America, Inc., et al. filed. (Distributed)

Jan 3 2014 Reply of petitioner Paula Petrella filed. (Distributed)

Jan 10 2014 Motion of the Solicitor General for leave to participate in oral argument as amicus curiae and for divided argument GRANTED.

Jan 21 2014 Argued. For petitioner: Stephanos Bibas, Philadelphia, Pa.; and Nicole A. Saharsky, Assistant to the Solicitor General, Department of Justice, Washington, D. C. (for United States, as amicus curiae). For respondents: Mark A. Perry, Washington, D. C.

May 19 2014 Judgment REVERSED and case REMANDED. Ginsburg, J., delivered the opinion of the Court, in which Scalia, Thomas, Alito, Sotomayor, and Kagan, JJ., joined. Breyer, J., filed a dissenting opinion, in which Roberts, C. J., and Kennedy, J., joined.

PETITION FOR WRIT OF CERTIORARI

No. 12-1315

In The
Supreme Court of the United States

PAULA PETRELLA,

Petitioner,

v.

METRO-GOLDWYN-MAYER, INC., ET AL.,

Respondents.

On Petition For A Writ Of Certiorari To The U.S. Court Of Appeals For The Ninth Circuit

PETITION FOR A WRIT OF CERTIORARI

GLEN L. KULIK
KULIK GOTTESMAN & SIEGEL LLP
15303 Ventura Boulevard
Suite 1400
Sherman Oaks, CA 91403
(310) 557-9200
gkulik@kgslaw.com

STEPHANOS BIBAS
Counsel of Record
JAMES A. FELDMAN
NANCY BREGSTEIN GORDON
UNIVERSITY OF PENNSYLVANIA LAW SCHOOL
SUPREME COURT CLINIC
3501 Sansom Street
Philadelphia, PA 19104
(215) 746-2297
sbibas@law.upenn.edu

Counsel for Petitioner Paula Petrella

COCKLE LAW BRIEF PRINTING CO. (800) 225-6964
OR CALL COLLECT (402) 342-2831

QUESTION PRESENTED

The Copyright Act expressly prescribes a three-year statute of limitations for civil copyright claims. 17 U.S.C. § 507(b). The three-year period accrues separately for each act of infringement, even if it is one of a continuing series of acts of infringement.

The federal courts of appeals have divided 3-2-1 over whether the nonstatutory defense of laches can bar a civil copyright suit brought within the express three-year statute of limitations. Three circuits forbid any application of laches or restrict the remedies to which it can apply. Two other circuits strongly disfavor laches and restrict it to exceptional circumstances. The Ninth Circuit not only does not restrict laches or the remedies to which it can apply, but has also adopted a presumption in favor of applying laches to continuing copyright infringements.

The question presented is:

Whether the nonstatutory defense of laches is available without restriction to bar all remedies for civil copyright claims filed within the three-year statute of limitations prescribed by Congress, 17 U.S.C. § 507(b).

PARTIES TO THE PROCEEDING

Petitioner is Paula Petrella. Petitioner was plaintiff-appellant below.

Respondents are Metro-Goldwyn-Mayer, Inc.; Metro-Goldwyn-Mayer Studios, Inc.; Metro-Goldwyn-Mayer Home Entertainment, LLC; Metro-Goldwyn-Mayer Home Entertainment Distribution Corp.; United Artists Corp.; and 20th Century Fox Home Entertainment, LLC. All respondents were defendants-appellees below.

TABLE OF CONTENTS

	Page
Question Presented	i
Parties to the Proceeding	ii
Table of Contents	iii
Table of Authorities	v
Petition for a Writ of Certiorari	1
Opinions Below	1
Jurisdictional Statement	1
Constitutional and Statutory Provisions Involved	1
Statement of the Case	3
A. Statutory Background	5
B. Factual and Procedural History	7
Reasons for Granting the Writ	13
I. The Circuits Are Deeply Divided Over Whether and When Laches Should Bar Copyright Claims Brought Within the Statute of Limitations	15
A. Three Circuits Have Held That Laches Cannot Bar Some or All Forms of Relief for Timely Copyright Claims	16
B. Two Circuits Have Severely Restricted and Disfavored Laches as a Defense to Copyright Claims	19

TABLE OF CONTENTS – Continued

Page

C. The Ninth Circuit Stands Alone in Allowing, and in Some Cases Presuming, the Defense of Laches in Copyright Cases Without Restriction 22

D. The Circuit Conflict Is Entrenched, Acknowledged, and Ripe for This Court's Review 24

II. Applying Laches to Bar a Copyright Action Filed Within the Statutory Limitations Period Violates the Separation of Powers and Undermines the Copyright Act's Purposes 26

III. The Circuit Split Encourages Forum Shopping, Which Is at Odds with Copyright Law's Emphasis on Nationwide Uniformity 29

IV. This Case Is a Clean Vehicle 32

Conclusion 34

Appendices

Panel Opinion, 695 F.3d 946 (9th Cir. 2012) 1a

District Court Opinion Granting Summary Judgment (C.D. Cal. Feb. 3, 2010) 28a

Order Denying Rehearing En Banc (9th Cir. Jan. 30, 2013) 49a

TABLE OF AUTHORITIES

Page

CASES

Ashley v. *Boyle's Famous Corned Beef Co.*, 66 F.3d 164 (8th Cir. 1995) 22

Associated Press v. *Meltwater U.S. Holdings, Inc.*, No. 12-1087, 2013 WL 1153979 (S.D.N.Y. Mar. 21, 2013) 19

Bonito Boats, Inc. v. *Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989) 5

Chirco v. *Crosswinds Cmties., Inc.*, 474 F.3d 227 (6th Cir. 2007) 19, 20, 21, 24, 31

Cmty. for Creative Non-Violence v. *Reid*, 490 U.S. 730 (1989) 30

County of Oneida v. *Oneida Indian Nation*, 470 U.S. 226 (1985) 27

Cross v. *Allen*, 141 U.S. 528 (1891) 27

Danjaq LLC v. *Sony Corp.*, 263 F.3d 942 (9th Cir. 2001) 11, 12, 23, 24, 25

Edward B. Marks Music Corp. v. *Wonnell*, 61 F. Supp. 722 (S.D.N.Y. 1945) 18

Eldred v. *Ashcroft*, 537 U.S. 186 (2003) 27

EMI Entm't World, Inc. v. *Karen Records, Inc.*, 603 F. Supp. 2d 759 (S.D.N.Y. 2009) 18

Evergreen Safety Council v. *RSA Network, Inc.*, 697 F.3d 1221 (9th Cir. 2012) 23

Fogerty v. *Fantasy, Inc.*, 510 U.S. 517 (1994) 30

Holmberg v. *Armbrecht*, 327 U.S. 392 (1946) 27

TABLE OF AUTHORITIES – Continued

Page

Ikelionwu v. *United States*, 150 F.3d 233 (2d Cir. 1998) 17

Ivani Contracting Corp. v. *City of New York*, 103 F.3d 257 (2d Cir. 1997) 17, 18

Jacobsen v. *Deseret Book Co.*, 287 F.3d 936 (10th Cir. 2002) 21, 24

Lego A/S v. *Best-Lock Constr. Toys, Inc.*, 874 F. Supp. 2d 75 (D. Conn. 2012) 18

Looney Ricks Kiss Architects, Inc. v. *Bryan*, No. 07-572, 2010 WL 5393859 (W.D. La. Dec. 22, 2010) 19

Lyons P'ship v. *Morris Costumes, Inc.*, 243 F.3d 789 (4th Cir. 2001) ..... *passim*

Mazer v. *Stein*, 347 U.S. 201 (1954) 28

Miller v. *Glen Miller Prods., Inc*, 454 F.3d 975 (9th Cir. 2006) 12, 23

New Era Publ'ns Int'l v. *Henry Holt & Co.*, 873 F.2d 576 (2d Cir.), *reh'g denied*, 884 F.2d 659 (2d Cir. 1989) 18, 30

Order of R.R. Telegraphers v. *Ry. Express Agency*, 321 U.S. 342 (1944) 29

Peter Letterese & Assocs., Inc. v. *World Inst. of Scientology Enters., Int'l*, 533 F.3d 1287 (11th Cir.), *reh'g denied*, 307 F. App'x 438 (11th Cir. 2008) 17, 18, 24, 29, 30

Petrella v. Metro-Goldwyn-Mayer, Inc., 695 F.3d 946 (9th Cir. 2012) ..... *passim*

TABLE OF AUTHORITIES – Continued

Page

Rouse v. *Walter & Assocs.*, 513 F. Supp. 2d 1041 (S.D. Iowa 2007) 22

Russell v. *Todd*, 309 U.S. 280 (1940) 27

Sony Corp. of Am. v. *Universal City Studios, Inc.*, 464 U.S. 417 (1984) 5, 27

Stewart v. *Abend*, 495 U.S. 207 (1990) 5, 8, 9, 27

Tenn. Valley Auth. v. *Hill*, 437 U.S. 153 (1978) 26

Thompson v. *Hubbard*, 131 U.S. 123 (1889) 27

United States v. *Mack*, 295 U.S. 480 (1935) 27

United States v. *Rodriguez-Aguirre*, 264 F.3d 1195 (10th Cir. 2001) 21, 24

Washingtonian Co. v. *Pearson*, 306 U.S. 30 (1939) 28

Wechsberg v. *United States*, 54 Fed. Cl. 158 (2002) 19

Wheaton v. *Peters*, 33 U.S. (8 Pet.) 591 (1834) 27

Ziegelheim v. *Flohr*, 119 F. Supp. 324 (E.D.N.Y. 1954) 18

Zitz v. *Pereira*, 119 F. Supp. 2d 133 (E.D.N.Y. 1999) 18, 22

CONSTITUTIONAL PROVISION

U.S. CONST., art. I, § 8, cl. 8 ..... 1, 5

TABLE OF AUTHORITIES – Continued

Page

STATUTES

28 U.S.C. § 1254(1) 1

28 U.S.C. § 1400(a) 31

Act of Sept. 7, 1957, Pub. L. No. 85-313, 71 Stat. 633 (codified at 17 U.S.C. § 507(b)) 6, 28

Copyright Act of 1790, ch. 15, 1 Stat. 124 5

Copyright Act of 1909, ch. 320, 35 Stat. 1075 ..... 27, 28

Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541 ..... *passim*

17 U.S.C. § 106 2

17 U.S.C. § 107 2

17 U.S.C. § 122 2

17 U.S.C. § 201(d) 5

17 U.S.C. § 502 ..... 6, 20

17 U.S.C. § 503 ..... 6, 20

17 U.S.C. § 504 ..... 6, 20

17 U.S.C. § 505 6

17 U.S.C. § 507(b) 2, 3

Equal Pay Act of 1963, 29 U.S.C. § 206(d) 22

Lanham Trademark Act of 1946, 15 U.S.C. §§ 1051-1141n 23, 29

Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000(e), *et seq.* 22

TABLE OF AUTHORITIES – Continued

Page

OTHER AUTHORITIES

The 53rd Academy Awards (1981) Nominees and Winners, THE OSCARS, http://www.oscars.org/awards/academyawards/legacy/ceremony/53rd-winners.html 8

ADMIN. OFFICE OF THE U.S. COURTS, JUDICIAL BUSINESS OF THE UNITED STATES COURTS (2011) 31

Citizen Kane Stands the Test of Time, AM. FILM INST., http://www.afi.com/100years/movies10.aspx 8

THE FEDERALIST NO. 43 (James Madison) (Benjamin F. Wright ed., 1961) 30

H.R. REP. NO. 85-150 (1957) 28

H.R. REP. NO. 94-1476 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659 ..... 21, 30

3 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 12.05 (Matthew Bender & Co. 2012) (on Lexis) 6, 25

6 WILLIAM F. PATRY, PATRY ON COPYRIGHT (West Mar. 2013) (on Westlaw)

§ 20:23 7

§ 20:25 ..... 23, 25, 26, 29, 33

S. REP. NO. 85-1014 (1957), *reprinted in* 1957 U.S.C.C.A.N. 1961 ..... *passim*

TABLE OF AUTHORITIES – Continued

Page

S. REP. NO. 94-473 (1975) 28

14D CHARLES ALAN WRIGHT ET AL., FEDERAL PRACTICE AND PROCEDURE § 3819 (3d ed. 2008) 31

PETITION FOR A WRIT OF CERTIORARI

Paula Petrella respectfully petitions for a writ of certiorari to review the judgment of the U.S. Court of Appeals for the Ninth Circuit.

OPINIONS BELOW

The Ninth Circuit's opinion is reported at 695 F.3d 946 and reprinted at App. 1a-27a. The opinion of the U.S. District Court for the Central District of California is unreported but reprinted at App. 28a-48a. The Ninth Circuit's order denying rehearing en banc is unreported but reprinted at App. 49a-50a.

JURISDICTIONAL STATEMENT

The Ninth Circuit filed its opinion on August 29, 2012, and denied rehearing en banc on January 30, 2013. This Court has jurisdiction under 28 U.S.C. § 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

The U.S. Constitution's Copyright and Patent Clause, art. I, § 8, cl. 8, provides, in relevant part:

> The Congress shall have Power . . .
>
> . . .

To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries; . . . .

17 U.S.C. § 106 provides, in relevant part:

Subject to sections 107 through 122, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:

(1) to reproduce the copyrighted work in copies or phonorecords;

(2) to prepare derivative works based upon the copyrighted work;

(3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;

. . . .

17 U.S.C. § 507(b) provides:

Civil Actions. – No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued.

STATEMENT OF THE CASE

Under the Copyright Act, an express three-year statute of limitations restricts civil claims. 17 U.S.C. § 507(b). This limitations period accrues separately for each act of infringement, even if prior acts of infringement began before the three-year period. Congress passed the Act to bring uniformity to copyright law, in response to the varying time periods courts had previously been applying in different jurisdictions.

In 1991, petitioner Paula Petrella renewed the copyright to her father's 1963 screenplay, *The Raging Bull*, which formed the basis for the critically acclaimed film *Raging Bull*. Respondents continued to market the film, so, after intermittent correspondence between the two sides' lawyers, Ms. Petrella sued for copyright infringement in 2009. The three-year limitations period barred her from recovering damages for acts of infringement before 2006, but did not bar recovery of damages and injunctive relief for acts of infringement that occurred in 2006 or later. Nevertheless, the district court granted summary judgment for respondents, holding that the nonstatutory defense of laches entirely barred Ms. Petrella's suit. The Ninth Circuit affirmed, based on binding circuit precedent, and denied rehearing en banc.

The federal courts of appeals are deeply divided over whether, and in what circumstances, the equitable defense of laches can bar civil copyright claims brought within the statute of limitations. Three

circuits hold that the defense never bars a claim or is never available to bar certain types of relief. Two circuits hold that it is strongly disfavored and restrict its application to rare cases. Only the Ninth Circuit applies laches without restriction, and in fact presumes it in some cases. Leading commentators, as well as the courts of appeals themselves, expressly acknowledge the circuit conflict, which has been widening for more than a decade.

Both the Ninth Circuit's embrace of laches and its presumption in favor of laches are wrong. Under our system of separation of powers, courts may not use non-statutory time limits to constrict express limitations periods enacted by Congress. Laches requires a variable, fact-specific balancing of the equities, whereas the statute prescribes a predictable bright-line rule. The Ninth Circuit's rule not only is legally erroneous but also threatens to breed forum shopping – the very evil Congress sought to prevent when it enacted a uniform statute of limitations.

This case presents a clean vehicle in which the issue of laches was dispositive and was pressed and passed upon below. As the concurrence below and the leading copyright treatises recognize, the courts of appeals are deeply divided over this area of law and require this Court's intervention. Only this Court can prevent forum shopping and bring uniformity to this important issue of federal copyright law.

A. Statutory Background

1. "One of the fundamental purposes behind the Patent and Copyright Clauses of the Constitution was to promote national uniformity in the realm of intellectual property." *Bonito Boats, Inc.* v. *Thunder Craft Boats, Inc.*, 489 U.S. 141, 162 (1989) (citing THE FEDERALIST NO. 43, at 309 (James Madison) (Benjamin F. Wright ed., 1961)). Under the Constitution, "it is Congress that has been assigned the task of defining the scope of the limited monopoly that should be granted to authors . . . ." *Sony Corp. of Am.* v. *Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984). Since the Copyright Act of 1790, ch. 15, 1 Stat. 124, Congress has used this power to provide for a uniform body of copyright law governing registration, rights, and enforcement throughout the United States.

2. The author of a copyrighted work can transfer ownership of the copyright to another party, either in whole or in part, 17 U.S.C. § 201(d), but transfers are subject to certain limitations. If the author transfers the right to renew a copyright to another party but dies before the end of the original copyright term, the renewal rights revert back to the author's heirs. *Stewart* v. *Abend*, 495 U.S. 207, 220-21 (1990).

3. Congress has specifically outlined not only the rights of copyright holders, but also the remedies available to them in infringement suits. Congress has authorized courts to award damages and profits, issue injunctions, order the impounding and disposition of

infringing articles, and award costs and attorney's fees. 17 U.S.C. §§ 502-505.

4. Before 1957, federal copyright law provided no statute of limitations for civil claims, so courts borrowed state limitations periods. Those periods varied; California, for instance, had adopted a short statute of limitations to protect its movie industry. In response to this state of affairs, Congress thought it "highly desirable to provide a uniform [limitations] period throughout the United States" that would deter "forum shopping" for copyright claims. S. REP. NO. 85-1014, at 2 (1957), *reprinted in* 1957 U.S.C.C.A.N. 1961, 1962. Thus, in 1957, Congress enacted a three-year statute of limitations for civil copyright claims. Act of Sept. 7, 1957, Pub. L. No. 85-313, 71 Stat. 633 (reenacted without alteration in the Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2586, and codified at 17 U.S.C. § 507(b)).

Under the "separate accrual rule," this three-year period accrues separately for each act of infringement, even if the violation is one of a continuing series of acts of infringement. "If infringement occurred within three years prior to filing, the action will not be barred even if prior infringements by the same party as to the same work are barred because they occurred more than three years previously." 3 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 12.05[B][1][b] (Matthew Bender & Co. 2012) (on Lexis, which incorrectly lists volume as 1) (collecting cases). No court has required a copyright action seeking relief for an infringement within the

past three years to be brought within three years of the initial act of infringement. 6 WILLIAM F. PATRY, PATRY ON COPYRIGHT § 20:23 (West Mar. 2013) (on Westlaw).

B. Factual and Procedural History

1. Frank "Peter" Petrella, petitioner's father, authored three literary works based on the life of his longtime friend, boxing champion Jake LaMotta. In 1963, after Mr. LaMotta had retired from the ring, Mr. Petrella wrote a screenplay (the 1963 Screenplay), entitled *The Raging Bull*, based on Mr. LaMotta's experiences. App. 3a, 30a-31a. Mr. Petrella registered the 1963 Screenplay with the U.S. Copyright Office, listing himself as the claimant and sole author. *Id.* He also authored and copyrighted another screenplay (the 1973 Screenplay), which he registered in 1973 as claimant and sole author. *Id.* And he wrote a book, which was registered with the Copyright Office in 1970, listing Mr. LaMotta as claimant and Messrs. Petrella (under the pen name Peter Savage), LaMotta, and Joseph Carter as authors. *See id.*

In 1976, Messrs. Petrella and LaMotta assigned all of their copyrights in the book and the two screenplays to Chartoff-Winkler Productions. App. 30a-31a. Two years later, respondent United Artists, a wholly owned subsidiary of respondent Metro-Goldwyn-Mayer, Inc. (MGM), acquired the motion picture rights to these three works from Chartoff-Winkler. App. 31a. In 1980, United Artists released *Raging*

Bull, a movie based on Mr. LaMotta's life, which was directed by Martin Scorsese and starred Robert De Niro as Mr. LaMotta. To prepare Mr. De Niro for the role, Messrs. Petrella and LaMotta trained Mr. De Niro in boxing, and Mr. Petrella was credited as a producer of the film. *See* First Am. Compl. ¶¶ 22-23.

2. *Raging Bull* received considerable critical acclaim. It was nominated for eight Academy Awards and won two, including a Best Actor award for Robert De Niro. *See The 53rd Academy Awards (1981) Nominees and Winners*, The Oscars, http://www.oscars.org/awards/academyawards/legacy/ceremony/53rd-winners.html (last visited Apr. 25, 2013). Since then, movie critics have consistently described it as a cinematic masterpiece, and a poll of 1500 film artists, critics, and historians rated it as the fourth-best film of all time. *See Citizen Kane Stands the Test of Time*, AM. FILM INST., http://www.afi.com/100years/movies10.aspx (last visited Apr. 25, 2013). *Raging Bull* has also enjoyed popular success: MGM continues to market and sell the film, including in a recent 25th Anniversary Edition. App. 13a.

3. Mr. Petrella was unable to appreciate the long-term impact of his work, as he passed away in 1981. Because he died during the original twenty-eight-year term of his copyrights in the book and screenplays, under *Stewart* v. *Abend* his renewal rights in the three works reverted to his heirs, including his daughter, petitioner Ms. Petrella.

In response to this Court's decision in *Stewart* v. *Abend*, in 1990, Ms. Petrella contacted an attorney for advice about the renewal status of her father's copyrighted works. App. 31a-32a. Her first attorney successfully renewed the copyright on the 1963 Screenplay in 1991, within the statutory period, in the name of Mr. Petrella's heirs, including Ms. Petrella. After her mother passed away and her brother assigned his rights to her, she became the sole owner of all rights, titles, and interests in the 1963 Screenplay. First Am. Compl. ¶¶ 29-31.

Despite Ms. Petrella's timely renewal, MGM and United Artists continued, and continue to this day, to reproduce, market, and distribute *Raging Bull*. First Am. Compl. ¶¶ 33-39. In response, Ms. Petrella's second attorney (at the same firm) contacted respondents in 1998, asserting that she had exclusive rights in the 1963 Screenplay and that respondents' continuing exploitation of *Raging Bull* infringed those rights. App. 5a. During 1998, 1999, and 2000, counsel for Ms. Petrella and respondents exchanged letters contesting the legality of continued exploitation of the film. *Id.* Also during this time, MGM was sending Ms. Petrella financial records showing the film was unprofitable. Petrella Decl. in Opp. to Mot. for Summ. J. ¶ 18. In 2001, MGM notified her that it would stop sending financial statements because it claimed that the film was unlikely ever to become profitable. MGM's financial representations that the film would remain unprofitable were later called into question by MGM's production of various special editions of the

film, such as the 25th Anniversary Edition in 2005. *See* First Am. Compl. ¶¶ 36-37; App. 13a.

Ms. Petrella was dissatisfied with her counsel's lack of diligence in investigating these representations. She was, however, preoccupied with caring for her ailing mother and disabled brother, whose conditions impelled her to move from Los Angeles to New York for more than a year.

4. In 2005, Ms. Petrella returned to Los Angeles. Later that year, she learned that her attorneys had been laboring under a conflict of interest because her counsel's law firm also represented Robert De Niro.[1] Over the next two years, Ms. Petrella searched for and retained new counsel. *See* Petrella Decl. in Opp. to Mot. for Summ. J. ¶ 19.

In January 2009, Ms. Petrella sued respondents in the U.S. District Court for the Central District of California for copyright infringement, unjust enrichment, and an accounting. *See* First Am. Compl. She alleged that respondents violated her exclusive rights in the 1963 Screenplay by continuing to use, produce,

---

[1] Ms. Petrella's first attorney, as well as another partner at the same firm, represented Mr. De Niro. Ms. Petrella's second attorney was an associate at the same firm. Counsel could have feared that litigation over the film might harm Mr. De Niro's income and image, draw him in as a witness, or otherwise antagonize or inconvenience him. While prior counsel's conflict of interest is not discussed in the record below, Ms. Petrella stands ready to offer admissible proof of this fact if this Court grants certiorari and remands.

and distribute the film *Raging Bull*, which contained protected elements of the 1963 Screenplay. *Id.* ¶¶ 40-50. Her complaint sought, inter alia, monetary damages, injunctive relief, attorney's fees, and costs. *Id.* Prayer for Relief ¶¶ 1-2, 6-8. In light of the three-year statutory limitations period, damages would be available only for acts of infringement occurring in or after 2006.

The district court granted respondents' motion for summary judgment based solely on the defense of laches. App. 46a. Finding that the case was "obviously control[led]" by the Ninth Circuit's earlier decision in *Danjaq LLC* v. *Sony Corp.*, 263 F.3d 942 (9th Cir. 2001), the court balanced the factors relevant to the laches inquiry. App. 42a-46a. It held that Ms. Petrella had unreasonably delayed by not filing suit until 2009. App. 44a. It further held that the delay had prejudiced respondents in terms of both their commercial expectations and their access to evidence. *Id.* at 44a-46a. The court applied the doctrine of laches without any qualification and without considering any presumption disfavoring laches.

But for the laches ruling, Ms. Petrella's claims would have survived summary judgment. App. 38a, 39a-40a, 42a. On the critical issue of whether the 1963 Screenplay was substantially similar to the film, the court noted that there was a legitimate factual disagreement over the similarity of the two works. Had laches been inapplicable, the court would have left that factual dispute to the trier of fact. App. 40a-42a.

5. The court of appeals affirmed the district court's grant of summary judgment. App. 2a. The court began its analysis by stating that it would "presume that the plaintiff's claims are barred by laches" so long as "any part of the alleged wrongful conduct occurred outside of the limitations period." App. 8a (quoting *Miller* v. *Glen Miller Prods., Inc*, 454 F.3d 975, 997 (9th Cir. 2006)) (internal quotation marks omitted). Applying that standard, the panel found no genuine issues of material fact as to the three elements needed to prove laches under *Danjaq*: (1) delay; (2) unreasonableness of the delay; and (3) prejudice. *Id.* Because the court of appeals found sufficient prejudice based on respondents' commercial expectations, it did not consider whether they had been prejudiced by loss of evidence. App. 12a.

Judge William Fletcher concurred "only because we are compelled to follow our opinion in *Danjaq*." App. 23a (citation omitted). He explicitly questioned the soundness of the *Danjaq* line of cases, which authorize applying the equitable defense of laches to copyright infringement. App. 23a-24a. Laches, he noted, is "entirely a judicial creation" that is "in tension with Congress' intent." App. 24a. He noted "a severe circuit split" over whether laches is a defense to copyright actions. App. 23a. The Ninth Circuit's approach is "the most hostile to copyright owners of all the circuits" and contrasts with the approaches of the Second, Fourth, Sixth, and Eleventh Circuits. *Id.* He also noted that the Ninth Circuit had failed to distinguish laches from equitable estoppel, which

requires proof that the plaintiff intentionally misrepresented the facts and that the defendant detrimentally relied on that misrepresentation. App. 25a-27a. Judge Fletcher concluded: "Our circuit has taken a wrong turn in its formulation and application of laches in copyright cases." App. 27a. In his view, that "wrong turn" fails "to provide appropriate protection to innocent copyright owners who have brought infringement suits within the statute of limitations." *Id.*

6. The Ninth Circuit denied a timely petition for rehearing en banc. App. 49a-50a. This petition follows.

REASONS FOR GRANTING THE WRIT

1. The federal courts of appeals are intractably divided over whether, and in what circumstances, laches can bar civil copyright claims filed within the statute of limitations. Three circuits do not permit laches to shorten the limitations period established by statute, either in whole or as to certain types of relief sought here. If Ms. Petrella had filed suit in any of those courts, her suit would have survived summary judgment. Because two other circuits substantially restrict the application of laches in copyright cases, Ms. Petrella's suit probably would have survived summary judgment there as well. By contrast, only the Ninth Circuit freely allows laches. Indeed, in the decision below, the Ninth Circuit *extended* its

precedent by adopting a presumption *in favor of* laches in continuing-infringement cases and by denying rehearing en banc. The circuit conflict is openly acknowledged by leading commentators, other courts, and Judge Fletcher's concurrence below. The conflict has matured over the past twelve years, is entrenched, and is ripe for review by this Court.

2. Laches should not be available to constrict the Copyright Act's express statutory limitations period. Courts may not override Congress's careful efforts to balance the interests of authors and the public embodied in the statutory limitations period. Laches requires case-specific balancing of the reasons for a delay and the prejudice caused by it, which is at odds with the statute of limitations' predictable bright-line rule. In other contexts, this Court has repeatedly stated that laches cannot displace an explicit federal statute of limitations.

3. The circuit split threatens to breed forum shopping by making particular remedies available in some circuits but not in others. Invoking the Copyright Act's liberal venue provisions, future plaintiffs who might face a laches defense in the Ninth Circuit will instead file suit in more favorable circuits. Such unequal enforcement subverts Congress's expressed goal of promoting nationwide uniformity in copyright law.

4. This case is an ideal vehicle for addressing the question presented and resolving the entrenched circuit split. The issue of laches was dispositive

below: it was the sole ground on which the district court granted summary judgment and the Ninth Circuit affirmed, and the district court acknowledged that live factual disputes would otherwise have precluded summary judgment. The issue was pressed and expressly passed upon below. And Judge Fletcher's concurrence canvassed the disagreement among the circuits and the shortcomings of the Ninth Circuit's rule. The issue is thus ripe and cleanly presented for this Court's review.

I. The Circuits Are Deeply Divided Over Whether and When Laches Should Bar Copyright Claims Brought Within the Statute of Limitations

For more than a decade, the question presented has intractably divided the federal courts of appeals. Three circuits hold that laches cannot bar some or any remedies in copyright cases. In those circuits, this case would have come out differently, and Ms. Petrella would have been eligible for some or all of the relief that she seeks. Two more circuits strongly disfavor laches; Ms. Petrella's claims probably would have proceeded in those circuits as well.

The Ninth Circuit stands alone not only in liberally allowing a laches defense in copyright cases, but also in sometimes presuming it. That court has reiterated its position as an outlier and refused to rehear this case en banc, thus entrenching the division of authority. The circuit conflict has grown over

the past twelve years, and commentators, as well as the courts of appeals, openly acknowledge it. Only this Court can resolve it.

A. Three Circuits Have Held That Laches Cannot Bar Some or All Forms of Relief for Timely Copyright Claims

Three circuits hold that laches cannot completely bar relief for acts of infringement that occur within the statutory limitations period.

1. The Fourth Circuit entirely forbids applying laches to timely filed copyright infringement claims. It holds that the Copyright Act's three-year "statute of limitations for that cause of action should govern, regardless of the remedy sought." *Lyons P'ship* v. *Morris Costumes, Inc.*, 243 F.3d 789, 798 (4th Cir. 2001). "Separation of powers principles thus preclude us from applying the judicially created doctrine of laches to bar a federal statutory claim that has been timely filed under an express statute of limitations." *Id.* Regardless of the length of the delay, courts in the Fourth Circuit may not apply laches to constrict the statute of limitations prescribed by Congress. If Ms. Petrella had filed her suit in the Fourth Circuit, it would not have been barred by laches and so would have survived summary judgment.

2. The Eleventh Circuit has a "strong presumption" against laches, so that "[o]nly in the most extraordinary circumstances will laches be recognized as a defense" to a timely copyright infringement

claim. *Peter Letterese & Assocs., Inc.* v. *World Inst. of Scientology Enters., Int'l*, 533 F.3d 1287, 1320 (11th Cir.), *reh'g denied*, 307 F. App'x 438 (11th Cir. 2008) (citing *Lyons*) (declining to apply laches despite decade-long delay). And "[e]ven where such extraordinary circumstances exist, . . . laches serves as a bar only to the recovery of retrospective damages, *not to prospective relief*." *Id.* at 1321 (emphasis added). If Ms. Petrella had filed suit in the Eleventh Circuit, her claims for prospective relief certainly would not have been barred, and the Eleventh Circuit likely would have permitted all her claims for relief to go forward.

3. Likewise, the Second Circuit disfavors allowing laches to bar a claim filed within the statutory period. It limits application of the defense to "rare[ ] . . . occasion[s]" and places the burden of proof on the defendant. *Ikelionwu* v. *United States*, 150 F.3d 233, 238 (2d Cir. 1998) (petition for return of seized property). Moreover, that court entirely disallows laches as a defense to timely copyright claims seeking relief at law. This rule is but a specific application of "[t]he prevailing rule . . . that when a plaintiff brings a federal statutory claim seeking legal relief, laches cannot bar that claim, at least where the statute contains an express limitations period within which the action is timely." *Ivani Contracting Corp.* v. *City of New York*, 103 F.3d 257, 260 (2d Cir. 1997) (civil rights action). In other words, in the Second Circuit, laches can bar only equitable relief, not relief at law (such as damages).

Thus, the Second Circuit has applied laches to bar injunctive relief while allowing a plaintiff to pursue damages for copyright infringement. *See New Era Publ'ns Int'l* v. *Henry Holt & Co.*, 873 F.2d 576, 584-85 (2d Cir.), *reh'g denied*, 884 F.2d 659 (2d Cir. 1989).[2] Even a delay of up to twenty-eight years from the initial act of infringement may not prevent a meritorious copyright case from going forward in the Second Circuit.[3] If Ms. Petrella had filed her suit in the Second Circuit, laches would not have barred her claims for damages since 2006 and probably would not have barred her claims for prospective relief either.[4]

---

[2] Later district court cases in the Second Circuit confirm that *New Era* "powerfully articulated" the rule "[t]hat a copyright plaintiff may recover damages at law, even if barred by laches from obtaining an injunction." *Lego A/S* v. *Best-Lock Constr. Toys, Inc.*, 874 F. Supp. 2d 75, 89 (D. Conn. 2012). District court case law, relying on *Ivani Contracting*, holds that laches is unavailable to bar any legal claims brought within the Copyright Act's statute of limitations. *Zitz* v. *Pereira*, 119 F. Supp. 2d 133, 142 (E.D.N.Y. 1999).

[3] *See Edward B. Marks Music Corp.* v. *Wonnell*, 61 F. Supp. 722, 729 (S.D.N.Y. 1945) (twenty-eight year delay); *see also EMI Entm't World, Inc.* v. *Karen Records, Inc.*, 603 F. Supp. 2d 759, 769 (S.D.N.Y. 2009), *amended on reconsideration in part*, 681 F. Supp. 2d 470 (S.D.N.Y. 2010) (six-year delay for intermittent negotiations found reasonable because "[g]iven the cost of litigation in the federal courts, seeking a negotiated solution before filing suit is far from unreasonable"); *Ziegelheim* v. *Flohr*, 119 F. Supp. 324, 328-29 (E.D.N.Y. 1954) (nine-year delay).

[4] Relying on *New Era* and *Peter Letterese*, a district court recently held that laches could not bar either damages or a claim for a prospective injunction, but could "at most" bar retrospective

(Continued on following page)

B. Two Circuits Have Severely Restricted and Disfavored Laches as a Defense to Copyright Claims

The Sixth and Tenth Circuits strongly disfavor laches and restrict its use as a defense to copyright infringement. If Ms. Petrella had filed her suit in either of those circuits, it probably would have survived summary judgment.

1. The Sixth Circuit has stated that resolution of a "debate [over] the wisdom of a three-year statute-of-limitations period [for these remedies], under our tripartite system of government, is committed to the discretion of the legislature." *Chirco* v. *Crosswinds Cmties., Inc.*, 474 F.3d 227, 235 (6th Cir. 2007). Though laches can apply to copyright cases in the

---

injunctive relief, such as an order requiring the defendant to delete all copyrighted material from its databases and computers. *Associated Press* v. *Meltwater U.S. Holdings, Inc.*, No. 12-1087, 2013 WL 1153979, at *27 (S.D.N.Y. Mar. 21, 2013).

While neither the Fifth nor the Federal Circuit has addressed the question presented, district courts in those circuits have rejected laches as a defense to timely filed copyright claims. *See Looney Ricks Kiss Architects, Inc.* v. *Bryan*, No. 07-572, 2010 WL 5393859, at *9 (W.D. La. Dec. 22, 2010) ("This Court agrees with those other circuits that held that the statute of limitations should not be cut short by the doctrine of laches [in copyright infringement cases]." (relying on *Lyons* and *Jacobsen*, *infra* p. 21)); *Wechsberg* v. *United States*, 54 Fed. Cl. 158, 164-65 (2002) (holding that because the plaintiff in an infringement suit is limited to recovering for infringements within the three-year statute of limitations, "there is no basis for a defense" of laches).

Sixth Circuit, that court has "sought to restrict such use to the most compelling of cases." *Id.* at 233. We are aware of no decision in which the Sixth Circuit has found this standard to be satisfied and applied laches to bar damages or injunctive relief for a timely copyright claim.

In *Chirco*, the Sixth Circuit greatly limited the availability of laches, particularly for remedies clearly authorized by statute. In that case, the owners of an architectural design alleged copyright infringement. 474 F.3d at 229. They sought damages, an injunction, and the destruction of condominiums that were built based on the plans – 109 of which had already been built, sold, and occupied by third parties. *Id.* at 235-36. The Sixth Circuit rejected a laches defense with regard to the claims for damages and injunctive relief, two remedies specifically enumerated in the Copyright Act. *Id.*; 17 U.S.C. §§ 502, 504.

The *Chirco* court applied laches to bar only the plaintiffs' request for the destruction of the condominiums. 474 F.3d at 235-36. The court cited the unfair prejudice to the "109 individuals or families [who] actually occupied what they hoped to make their homes." *Id.* at 235. Unlike an injunction or damages, the needless destruction of condominiums and resulting harm to innocent third parties was not among the infringement remedies contemplated by Congress.[5]

---

[5] Section 503(b) of Title 17, U.S. Code, which authorized courts to order destruction of infringing "copies or phonorecords,"

(Continued on following page)

By contrast, Ms. Petrella seeks remedies that are statutorily enumerated and that would not "work an *unjust* hardship upon the defendants or upon innocent third parties." *Chirco,* 474 F.3d at 236 (emphasis in original). Indeed, her damages claim applies only to infringing acts in or after 2006, as permitted by the Copyright Act's three-year limitations period. Thus, if she had filed suit in the Sixth Circuit, her claim probably would not have been barred by laches.

2. Similarly, the Tenth Circuit has held that "when a limitation on the period for bringing suit has been set by statute, laches will generally not be invoked to shorten the statutory period." *Jacobsen* v. *Deseret Book Co.*, 287 F.3d 936, 951 (10th Cir. 2002) (quoting *United States* v. *Rodriguez-Aguirre*, 264 F.3d 1195, 1208 (10th Cir. 2001) (rejecting applicability of laches despite seven-year delay)). In copyright infringement cases, the Tenth Circuit echoes the Fourth Circuit's separation-of-powers concerns, stating: "[C]ourts should generally defer to the [Copyright Act's] three-year statute of limitations," *id.* at 950, by restricting laches to "rare cases," *id.* at 951 (quoting *Rodriguez-Aguirre*, 264 F.3d at 1208, and citing *Lyons*, 243 F.3d at 797).

---

is intended to be "more flexible" than its predecessor and encourage courts to choose alternatives that would "avoid needless waste and best serve the ends of justice." H.R. REP. NO. 94-1476, at 160 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5776. The phrase "copies or phonorecords" does not naturally include built and occupied buildings.

The Tenth Circuit's rare-case standard demands much more than the showing that sufficed below to bar Ms. Petrella's suit and probably would not have been satisfied here. We are unaware of any decision in which the Tenth Circuit has found that standard to be satisfied and applied laches to bar relief for a timely copyright claim. Even if there were doubt about when the rare-case standard would be satisfied, that confusion would itself call for this Court's intervention to clarify the legal standard.[6]

C. The Ninth Circuit Stands Alone in Allowing, and in Some Cases Presuming, the Defense of Laches in Copyright Cases Without Restriction

The Ninth Circuit is the only court of appeals that does not restrict the availability of laches or the remedies it can bar. As Judge Fletcher stated: "Our circuit is the most hostile to copyright owners of all the circuits." App. 23a. A leading commentator has

---

[6] In addition, while the Eighth Circuit has yet to address this question in the copyright context, it has held that "separation of power principles dictate that federal courts not apply laches to bar a federal statutory claim that is timely filed under an express federal statute of limitations." *Ashley* v. *Boyle's Famous Corned Beef Co.*, 66 F.3d 164, 170 (8th Cir. 1995) (Title VII and Equal Pay Act). Relying on *Ashley*, *Lyons*, and *Zitz*, a district court in the Eighth Circuit held that laches can bar a timely copyright action only in "extraordinary circumstances." *Rouse* v. *Walter & Assocs.*, 513 F. Supp. 2d 1041, 1067 (S.D. Iowa 2007).

criticized the Ninth Circuit as "particularly willing to utilize laches to bar claims brought within the [Copyright Act's] limitations period." 6 PATRY ON COPYRIGHT § 20:55.

The Ninth Circuit has repeatedly applied laches as a defense to a copyright infringement claim without restriction. It first did so more than a decade ago in *Danjaq*, in which it held that laches barred claims not only for damages, but also for an injunction where "the feared future infringements are identical to the alleged past infringements." 263 F.3d at 949, 960. Less than a year ago, the Ninth Circuit relied on *Danjaq* and applied laches to bar a copyright infringement claim in *Evergreen Safety Council* v. *RSA Network, Inc.*, 697 F.3d 1221, 1226-29 (9th Cir. 2012).

The decision below not only reaffirmed *Danjaq*, but also held that, even if the challenged acts of infringement occurred entirely within the statutory limitations period, the court would "*presume* that the plaintiff's claims are barred by laches" so long as an earlier infringement in the series of infringements "occurred outside of the limitations period." App. 8a (emphasis added) (quoting *Miller*, 454 F.3d at 997) (internal quotation marks omitted). The Ninth Circuit improperly borrowed that presumption from trademark law (under the Lanham Act), even though the Lanham Act – unlike the Copyright Act – contains no statute of limitations. *See Miller*, 454 F.3d at 997 n.11. No other circuit has endorsed such a conflation of trademark and copyright law. And the Ninth Circuit's presumption *in favor of* laches conflicts with

the rules of the five circuits that preclude laches or at the very least strongly *disfavor* its application to claims brought within the statutory limitations period.

D. The Circuit Conflict Is Entrenched, Acknowledged, and Ripe for This Court's Review

The circuit conflict has developed and matured over more than a decade, as various courts of appeals have reflected upon one another's positions. Twelve years ago, the Fourth Circuit in *Lyons* entirely rejected laches as a defense to copyright actions. *Lyons*, 243 F.3d at 798. That same year, the Ninth Circuit in *Danjaq* freely allowed laches and cited but did not follow *Lyons*. 263 F.3d at 960. Next, the Tenth Circuit cited *Lyons* but did not go quite as far as the Fourth Circuit; it restricted laches to "rare cases." *Jacobsen*, 287 F.3d at 951 (quoting *Rodriguez-Aguirre*, 264 F.3d at 1208). The Sixth Circuit then followed the Tenth Circuit in "carv[ing] out a middle ground between the Fourth Circuit's strict ban on applying the laches doctrine in cases involving an express statute of limitations and the somewhat more expansive application of the doctrine by the Ninth Circuit." *Chirco*, 474 F.3d at 231-33. Five years ago, the Eleventh Circuit cited the Fourth Circuit's decision in *Lyons* with approval in erecting its "strong presumption" against laches and refusing to allow laches to bar prospective relief. *Peter Letterese*, 533 F.3d at 1320-21.

Most recently, the court below chose not to follow four circuits' contrary precedents, which were discussed in Judge Fletcher's concurrence. The Ninth Circuit not only reaffirmed *Danjaq*, but doubled down by adopting its presumption *in favor of* laches in continuing-infringement cases. App. 8a.

The conflict is thus mature and has been acknowledged as such by commentators as well as the courts of appeals. As the leading copyright treatise recognizes: "Pending realignment of the circuits or intervention at the Supreme Court level, the [laches] defense accordingly remains in limbo – susceptible of defeating infringement claims in some circuits, non-cognizable in others." 3 NIMMER ON COPYRIGHT § 12.06[A] (emphasis omitted). Or, as Judge Fletcher wrote: "There is a severe circuit split on the availability of a laches defense in copyright cases. . . . Our circuit is the most hostile to copyright owners of all the circuits." App. 23a. Another leading copyright treatise concurs with Judge Fletcher's analysis. 6 PATRY ON COPYRIGHT § 20:55.

Though Judge Fletcher's concurrence and Ms. Petrella's petition for rehearing en banc asked the Ninth Circuit to reconsider its deviant approach, that court denied rehearing en banc and entrenched its anomalous rule. App. 49a-50a. No other circuit can eliminate the circuit split. Only this Court can now resolve the acknowledged, entrenched division among the circuits.

II. Applying Laches to Bar a Copyright Action Filed Within the Statutory Limitations Period Violates the Separation of Powers and Undermines the Copyright Act's Purposes

Congress, not the courts, is responsible for weighing competing interests and policy considerations and setting a limitations period. After deliberation, Congress specified a three-year statute of limitations for copyright claims. Particularly because the Copyright Act creates an action at law, its express statute of limitations leaves no room for any equitable timeliness defenses such as laches. Laches's variable, multi-factor balancing test would cloud the statute's bright-line rule, thus violating the separation of powers. Therefore, "[t]he availability of laches for conduct occurring within the limitations period is impermissible." 6 PATRY ON COPYRIGHT § 20:55.

1. Where Congress has chosen to specify the time for bringing an action by enacting a statute of limitations, the separation of powers bars courts from undermining that legislative decision with their own equitable limitations. "[I]n our constitutional system the commitment to the separation of powers is too fundamental for [courts] to pre-empt congressional action by judicially decreeing what accords with 'common sense and the public weal.'" *Tenn. Valley Auth.* v. *Hill*, 437 U.S. 153, 195 (1978). Once the legislature specifies a statute of limitations, it is not the judiciary's place to constrict it. "If Congress explicitly puts a limit upon the time for enforcing a

right which it created, there is an end of the matter. The Congressional statute of limitation is definitive." *Holmberg* v. *Armbrecht*, 327 U.S. 392, 395 (1946).

Put another way, laches should apply only when a suit is brought in "equity, in the absence of any statute of limitations." *Russell* v. *Todd*, 309 U.S. 280, 287 (1940); *see also Cross* v. *Allen*, 141 U.S. 528, 537 (1891). "Laches within the term of the statute of limitations is no defense at law." *United States* v. *Mack*, 295 U.S. 480, 489 (1935). As this Court has noted more recently: "[A]pplication of the equitable defense of laches in an action at law would be novel indeed." *County of Oneida* v. *Oneida Indian Nation*, 470 U.S. 226, 244 n.16 (1985).

2. This deference to congressional enactments applies with equal force in copyright law. "[L]ong before the enactment of the Copyright Act of 1909, it was settled that the protection given to copyrights is wholly statutory. The remedies for infringement 'are only those prescribed by Congress.'" *Sony Corp.*, 464 U.S. at 431 (citation omitted) (citing *Wheaton* v. *Peters*, 33 U.S. (8 Pet.) 591, 661-62 (1834), and quoting *Thompson* v. *Hubbard*, 131 U.S. 123, 151 (1889)). Congress has struck "a difficult balance" between the interests of authors and those of society. *Id.* at 429. "[I]t is generally for Congress, not the courts, to decide how best to pursue the Copyright Clause's objectives. . . . '[I]t is not our role to alter the delicate balance Congress has labored to achieve.'" *Eldred* v. *Ashcroft*, 537 U.S. 186, 212-13 (2003) (quoting *Stewart*, 495 U.S. at 230). Thus, courts should not add

"burdensome requirements" that hinder authors' and publishers' ability to vindicate their "valuable, enforceable rights." *Mazer* v. *Stein*, 347 U.S. 201, 219 (1954) (quoting *Washingtonian Co.* v. *Pearson*, 306 U.S. 30, 36 (1939)).

The need to defer to Congress's enactments is particularly acute in the case of the Copyright Act's statute of limitations. The original 1909 Copyright Act contained no statute of limitations. Copyright Act of 1909, ch. 320, 35 Stat. 1075. But by 1957, Congress had grown concerned about the varying limitations periods courts were applying in different jurisdictions. *See* S. REP. NO. 85-1014, at 2; H.R. REP. NO. 85-150, at 1-2 (1957); *supra* p. 6. That year, it passed legislation for the sole purpose of "provid[ing] for a [three-year] statute of limitations with respect to civil [copyright] actions." Act of Sept. 7, 1957, Pub. L. No. 85-313, 71 Stat. 633. That legislation was based on Congress's decision to set "the most equitable period in view of the contrary interests of the various groups." S. REP. NO. 85-1014, at 2. And when Congress amended much of the bill in 1976, it left the three-year statute of limitations "unaltered" because it "represent[ed] a reconciliation of views" of the members of Congress. S. REP. NO. 94-473, at 146 (1975).

The Ninth Circuit's application of laches upsets Congress's determination of the proper balance of interests in this area. It clouds the statute's uniform, predictable rule of timeliness by requiring an unpredictable, case-specific balancing test. Moreover, when courts allow the laches defense to constrict the period

allowed by the statute of limitations, they let copyright infringers double-dip on defenses that serve identical interests. "Statutes of limitation, like the equitable doctrine of laches, . . . are designed to promote justice by preventing surprises through the revival of claims . . . ." *Order of R.R. Telegraphers* v. *Ry. Express Agency*, 321 U.S. 342, 348-49 (1944).

The Ninth Circuit went astray by borrowing a rule from one of its own earlier trademark cases. The Lanham Act, however, which governs trademarks, contains no express limitations period. Lanham Trademark Act of 1946, 15 U.S.C. §§ 1051-1141n. Thus, applying laches to trademark cases does not implicate the same separation-of-powers concerns as the decision below. *See, e.g.*, *Peter Letterese*, 533 F.3d at 1321 n.40; *Lyons*, 243 F.3d at 798-99. In any event, the Ninth Circuit's earlier ruling applying laches to trademark actions was itself dubious and should not have been extended further to "the very different field of copyright." 6 PATRY ON COPYRIGHT § 20:55.

III. The Circuit Split Encourages Forum Shopping, Which Is at Odds with Copyright Law's Emphasis on Nationwide Uniformity

The circuit conflict encourages copyright plaintiffs to shop for the most favorable fora. That danger is especially acute in copyright law, where national uniformity is critical and where liberal venue provisions create ideal conditions for forum shopping.

1. Copyright law in this country has always emphasized national uniformity. As James Madison explained in *The Federalist Papers*, the Copyright Clause of the Constitution was necessary because "[t]he States cannot separately make effectual provision" for copyright. THE FEDERALIST NO. 43, at 309. In the years since, Congress has repeatedly acted to ensure national uniformity. It amended copyright law in 1957 to "provide a uniform [statute of limitations] period throughout the United States." S. REP. NO. 85-1014, at 2. Similarly, the "express objective" of the 1976 Copyright Act was to "creat[e] national, uniform copyright law." *Cmty. for Creative Non-Violence* v. *Reid*, 490 U.S. 730, 740 (1989). Geographic variation harms the public by depriving artists of the "predictability and certainty of copyright ownership" that Congress intended to provide. *Id.* at 749 (citing H.R. REP. NO. 94-1476, at 129). Thus, "it is peculiarly important that the boundaries of copyright law be demarcated as clearly as possible." *Fogerty* v. *Fantasy, Inc.*, 510 U.S. 517, 527 (1994).

2. This circuit split has the potential to breed forum shopping. The courts of appeals vary markedly not only in their respective hostility to laches, but also in terms of which remedies they consider barred by laches. The Eleventh Circuit, for instance, recognizes laches as a bar to damages in exceptional cases, but never as a bar to prospective relief. *Peter Letterese*, 533 F.3d at 1320-21. The Second Circuit's rule is the reverse. *New Era*, 873 F.2d at 584-85. The Sixth Circuit generally does not accept laches as a

bar to damages or injunctive relief, but allows it in exceptional cases for other remedies not explicitly authorized by the Copyright Act. *Chirco*, 474 F.3d at 235-36. Plaintiffs who seek particular remedies will forum shop accordingly.

The risk of forum shopping is exacerbated by the liberal venue provision for copyright suits. Copyright claims may be filed in any district where "the defendant or his agent resides or may be found." 28 U.S.C. § 1400(a). Thus, a corporate defendant can be sued wherever the corporation is subject to personal jurisdiction or can be served with process. 14D CHARLES ALAN WRIGHT ET AL., FEDERAL PRACTICE AND PROCEDURE § 3819 (3d ed. 2008) (collecting cases). Here, for instance, respondents distribute their films, DVDs, streaming video, and the like through theaters and stores across the nation, not to mention MGM's corporate office in New York. Thus, respondents and their subsidiaries may arguably be sued in any federal district.

The Ninth Circuit, from which this case originates, is particularly susceptible to forum shopping. Between 2010 and 2011, roughly one third of all intellectual property claims and one third of intellectual property appeals were filed there, nearly twice as many as in the next-busiest circuit.[7] Plaintiffs who

---

[7] ADMIN. OFFICE OF THE U.S. COURTS, JUDICIAL BUSINESS OF THE UNITED STATES COURTS tbls. B-7, C-3 (2011), *available at* http://www.uscourts.gov/uscourts/Statistics/JudicialBusiness/2011/appendices/B07Sep11.pdf and http://www.uscourts.gov/uscourts/

(Continued on following page)

face potential laches defenses (especially the Ninth Circuit's new presumption in favor of laches) will have strong incentives to file elsewhere.

Congress enacted the 1957 statute of limitations to respond to the problem of forum shopping. The accompanying Senate Report explained that forum shopping had become possible because "[c]ertain states such as California, . . . due to the centralization of the movie industry, have adopted relatively short statutes of limitations," while "[o]ther States where the inciden[ce] of copyright actions is low have applied longer periods for the commencement of actions." S. REP. NO. 85-1014, at 2. The situation today is the federal analogue of the problem Congress sought to combat: the Ninth Circuit, home to the movie industry, freely applies laches and so most severely constricts the statutory period for filing suit.

IV. This Case Is a Clean Vehicle

This case is a clean vehicle for resolving the question presented. The issue of laches was dispositive in both the district court and the court of appeals. The district court "did not grant summary judgment based on a lack of evidence of infringement, but solely on the ground that Plaintiff's claims were barred by laches." Dist. Ct. Rulings on Mot. for Sanctions and Mot. for Attorneys' Fees 4; *accord* App. 22a.

Statistics/JudicialBusiness/2011/appendices/C03Sep11.pdf, respectively.

There was no alternative holding. The Ninth Circuit affirmed solely on the same narrow ground. App. 22a.

But for the laches defense, this lawsuit would have survived summary judgment because material factual issues remain in dispute. App. 34a-38a. "[T]he issue of substantial similarity" of the 1963 Screenplay and the film, the district court held, was "probably not conducive to summary judgment" and so "must be presented to the trier of fact." App. 41a (citing Ninth Circuit precedent).

The issue of laches was both pressed and explicitly passed upon below. It prompted a thoughtful concurrence, in which Judge Fletcher dissected the circuit split and called upon the Ninth Circuit to reconsider its aberrant approach. A leading copyright treatise has already praised Judge Fletcher's analysis below as "an extended and brilliant concurring opinion." 6 PATRY ON COPYRIGHT § 20:55. To this day, MGM persists in infringing Ms. Petrella's copyright – and depriving her of her father's legacy – by continuing to market and sell the film. Thus, the issue is squarely presented for this Court's review.

CONCLUSION

For the foregoing reasons, this Court should grant the petition for a writ of certiorari.

Respectfully submitted,

GLEN L. KULIK
KULIK GOTTESMAN & SIEGEL LLP
15303 Ventura Boulevard
Suite 1400
Sherman Oaks, CA 91403
(310) 557-9200
gkulik@kgslaw.com

STEPHANOS BIBAS
Counsel of Record
JAMES A. FELDMAN
NANCY BREGSTEIN GORDON
UNIVERSITY OF PENNSYLVANIA LAW SCHOOL
SUPREME COURT CLINIC
3501 Sansom Street
Philadelphia, PA 19104
(215) 746-2297
sbibas@law.upenn.edu

Counsel for Petitioner Paula Petrella

April 30, 2013

APPENDIX

APPENDIX A

UNITED STATES COURT OF APPEALS, NINTH CIRCUIT

PAULA PETRELLA, an individual,

Plaintiff-Appellant,

v.

METRO-GOLDWYN-MAYER, INC., a corporation; METRO-GOLDWYN-MAYER STUDIOS, INC., a corporation; METRO-GOLDWYN-MAYER HOME ENTERTAINMENT, LLC, a limited liability company; METRO-GOLDWYN-MAYER HOME ENTERTAINMENT DISTRIBUTION CORPORATION, a corporation; UNITED ARTISTS CORPORATION, a corporation; 20TH CENTURY FOX HOME ENTERTAINMENT, LLC, a limited liability company,

Defendants-Appellees.

No. 10-55834

Argued Feb. 1, 2012
Decided Aug. 29, 2012

Appeal from the United States District Court
for the Central District of California
George H. Wu, District Judge, Presiding
D.C. No. 2:09-cv-00072-GW-MAN

Counsel Glen Lance Kulik (argued), Kulik, Gottesman, Mouton & Siegel, LLP, Sherman Oaks, California, for the Plaintiff-Appellant.

Robert J. Catalano and David Grossman, Loeb & Loeb. LLP, Los Angeles, California; Jonathan Zavin (argued), Loeb & Loeb, New York, New York, for the Defendants-Appellees.

Before William A. FLETCHER, and Raymond C. FISHER, Circuit Judges, and Jack ZOUHARY, District Judge.*

OPINION

FISHER, Circuit Judge:

In 2009, Paula Petrella filed an action for copyright infringement, unjust enrichment and accounting against Metro-Goldwyn-Mayer, Inc.; Metro-Goldwyn-Mayer Studios, Inc.; Metro-Goldwyn-Mayer Home Entertainment, LLC; Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation; United Artists Corporation; and 20th Century Fox Home Entertainment, LLC ("the defendants"). According to Petrella, the defendants infringed her purported interest in a book and two screenplays that together allegedly formed the basis for the 1980 motion picture *Raging Bull*. The district court granted summary judgment in favor of the defendants, holding that Petrella's claims are barred by the equitable defense of laches. The district court also denied the defendants' motions for sanctions and attorney's fees. We affirm.

---

* The Honorable Jack Zouhary, United States District Judge for the Northern District of Ohio, sitting by designation.

BACKGROUND

After Jake LaMotta ("LaMotta") retired from boxing, he collaborated with his long-time friend, Frank Peter Petrella ("F. Petrella"), to produce a book and two screenplays (the "1963 screenplay" and the "1973 screenplay") about LaMotta's life. Together, these works allegedly became the basis for the movie *Raging Bull*, released in 1980.

These works were registered with the United States Copyright Office. The 1963 screenplay was registered in 1963, listing F. Petrella as the claimant and sole author. According to the title page, however, it was written "in collaboration with" LaMotta. The book was registered in 1970, listing "Peter Savage" (a pseudonym of F. Petrella), LaMotta and Joseph Carter as co-authors. The 1973 screenplay was registered in 1973, listing F. Petrella as the sole author and stating 1970 as the date of publication. The copyright registration certificate noted that the work "The Raging Bull" was a "screenplay form of the book of the same name." Despite the copyright registration dates, the parties dispute which of these three works – the 1963 screenplay, the book or the 1973 screenplay – was written first.

In a written agreement dated November 19, 1976, F. Petrella and LaMotta assigned to Chartoff-Winkler Productions, Inc., "exclusively and forever, including all periods of copyright and renewals and extensions thereof," all of their respective copyright rights in the book and "in and to those certain screenplays based

on [the book] which were written in 1963 and 1973," save for a reservation of certain rights to the authors of the book. The agreement represented that the book "is original and has not been copied or adapted from any literary, dramatic or other work." It also represented that "[t]he [F. Petrella] Screenplays are original and have not been copied or adapted from any literary, dramatic or other work other than [the book]."

In about September 1978, United Artists Corporation, a wholly owned subsidiary of Metro-Goldwyn-Mayer Studios, Inc., acquired the motion picture rights to *Raging Bull* pursuant to a written assignment from Chartoff-Winkler Productions, Inc. United Artists registered a copyright in the film around September 1980. In 1981, during the original 28 year term of the copyrights for the book and the two screenplays, F. Petrella died, and his renewal rights in the works passed to his heirs.

As his daughter, Petrella now alleges she is the sole owner of the F. Petrella interest in the book and the two screenplays. In 1990, she learned of the Supreme Court's decision in *Stewart v. Abend*, and engaged an attorney to advise and assist her regarding her renewal rights.[1] The attorney filed a renewal

---

[1] *Stewart v. Abend*, 495 U.S. 207 (1990), concerned a magazine story, "It Had to be Murder," whose author had assigned the story's motion picture rights in 1945. *Id.* at 211. Nine years later a production company along with Paramount Pictures produced and distributed the Alfred Hitchcock murder mystery,

(Continued on following page)

application for the 1963 screenplay on her behalf in 1991.

Seven years later, in 1998, Petrella's attorney contacted the defendants, asserting that Petrella had obtained the rights to the 1963 screenplay and that the exploitation of any derivative work, including *Raging Bull*, was an infringement of these exclusive rights. Over the course of the next two years, Petrella and the defendants exchanged a series of letters in which she accused the defendants of infringing her copyrights and the defendants insisted they were not, citing two grounds. First, they claimed the 1963 screenplay was a collaboration between F. Petrella and LaMotta, so the defendants retained all necessary rights in the script under their agreement with LaMotta. Second, they denied there was any substantial similarity of protectable elements between the 1963 screenplay and the film. Petrella repeatedly threatened to take legal action, but she did not do so at that time. The final letter in this series was dated

---

Rear Window. *See id.* at 212. Much later, the holder of the renewal copyright in "It Had to be Murder" brought an infringement action in 1974 against those who held the rights in *Rear Window*, which had been made from the story during its original copyright term. *See id.* at 212-13. The Court held that when an author dies before a renewal period begins, his statutory successors are entitled to renewal rights, even when the author has previously assigned the rights to another party. *See id.* at 219. The owner of a derivative work does not retain the right to exploit that work when the death of the author causes the renewal rights in the preexisting work to revert to the statutory successors. *See id.* at 220-21.

April 5, 2000. Petrella did not initiate this lawsuit until nine years later, in 2009.

STANDARD OF REVIEW

We review de novo a district court's grant of summary judgment on a copyright infringement claim. *See Ellison v. Robertson*, 357 F.3d 1072, 1075 (9th Cir. 2004). "We must determine, viewing the evidence in the light most favorable to . . . the non-moving party, whether there are any genuine issues of material fact and whether the district court correctly applied the substantive law." *Olsen v. Idaho State Bd. of Med.*, 363 F.3d 916, 922 (9th Cir. 2004).

Whether a plaintiff's conduct constitutes laches in any given circumstance is an issue of fact. *See* 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 12.06[B] (2011). The standard of review is subject to dispute. *See id.* We addressed this standard in *Danjaq LLC v. Sony Corp.*, 263 F.3d 942 (9th Cir. 2001):

> As for the application of the laches defense itself, we have previously noted a seeming intracircuit conflict regarding the appropriate standard of review. *See Telink, Inc. v. United States*, 24 F.3d 42, 47 & nn.1011 (9th Cir. 1994) (reviewing for abuse of discretion, but noting an intracircuit conflict between the abuse of discretion and clearly erroneous standards). Leaving aside the fact that this conflict may be more apparent than real, *see id.* at 47 n.11; *Piper Aircraft Corp. v.*

> *Wag-Aero, Inc.*, 741 F.2d 925, 940-41 (7th Cir. 1984) (Posner, J., concurring), we need not resolve it here, for we conclude that the district court's ruling on laches must stand regardless whether it is reviewed for abuse of discretion or for clear error.

Danjaq, 263 F.3d at 952. The same is true here. The district court did not err under either standard of review.

We review a district court's imposition of sanctions for abuse of discretion, and its findings of fact for clear error. *See Christian v. Mattel, Inc.*, 286 F.3d 1118, 1126-27 (9th Cir. 2002). We also review an order on attorney's fees under the Copyright Act for abuse of discretion, and any findings of fact underlying the fee determination for clear error. *See Smith v. Jackson*, 84 F.3d 1213, 1221 (9th Cir. 1996).

DISCUSSION

The district court granted summary judgment in favor of the defendants on Petrella's copyright, accounting and unjust enrichment claims. The court also denied the defendants' motions for sanctions and attorney's fees. We affirm.

I. Copyright Infringement

The district court held that Petrella's copyright infringement claim is barred by the doctrine of laches. We agree. "Laches is an equitable defense that

prevents a plaintiff, who with full knowledge of the facts, acquiesces in a transaction and sleeps upon his rights." *Danjaq*, 263 F.3d at 950-51 (internal quotation marks omitted). "[I]f any part of the alleged wrongful conduct occurred outside of the limitations period, courts presume that the plaintiff's claims are barred by laches." *Miller v. Glenn Miller Prods., Inc.*, 454 F.3d 975, 997 (9th Cir. 2006). The statute of limitations for copyright claims in civil cases is three years. *See* 17 U.S.C. § 507(b); *see also* 3 Nimmer § 12.05[A].

The underlying elements of a laches defense are factual determinations. A defendant must prove that (1) the plaintiff delayed in initiating the lawsuit; (2) the delay was unreasonable; and (3) the delay resulted in prejudice. *See Danjaq*, 263 F.3d at 951. The defendants have established that no genuine issue of material fact exists as to these three elements.[2]

---

[2] Petrella appeals the district court's rulings on the defendants' evidentiary objections to the declarations of Petrella, her expert and her attorney. We hold that the district court did not abuse its discretion by finding that "[m]uch of [the expert's] Declaration lack[ed] foundation and [was] irrelevant" and that the attorney's declaration lacked foundation. With respect to the district court's rulings on Petrella's declaration, even were we to admit the excluded evidence, laches would still apply. We therefore affirm the district court's evidentiary rulings. *See Coursen v. A.H. Robins Co., Inc.*, 764 F.2d 1329, 1333 (9th Cir. 1985) (evidentiary errors will not be reversed absent some resulting prejudice).

1. *Delay*

"Generally speaking, the relevant delay is the period from when the plaintiff knew (or should have known) of the allegedly infringing conduct, until the initiation of the lawsuit in which the defendant seeks to counterpose the laches defense." *Id.* at 952. As the district court found, it is "[u]ndisputed [Petrella] was aware of her potential claims (as was MGM) since 1991," when her attorney filed her renewal application for the 1963 screenplay. She did not file her lawsuit until 18 years later, in January 2009.

2. *Reasonableness of the Delay*

"In determining reasonableness, courts look to the cause of the delay. Delay has been held permissible, among other reasons, when it is necessitated by the exhaustion of remedies through the administrative process; when it is used to evaluate and prepare a complicated claim; and when its purpose is to determine whether the scope of proposed infringement will justify the cost of litigation." *Id.* at 954 (citations and internal quotation marks omitted). In contrast, delay is unreasonable "when its purpose is to capitalize on the value of the alleged infringer's labor, by determining whether the infringing conduct will be profitable." *Id.*

There are two relevant periods of delay in this case. The first was from 1990 (when Petrella learned of the *Stewart v. Abend* decision and engaged an attorney to advise and assist her regarding her renewal

rights in the subject works) to September 1998 (when Petrella's attorney contacted the defendants concerning their exploitation of the film). Petrella testified that she did not contact the defendants and make them aware of any claims during this eight year period because "the film was deeply in debt and in the red and would probably never recoup" and she "did not know there was a time limit to making such claims."

The second period of delay began in September 1998, when Petrella's attorney sent the first of a series of letters to the defendants giving "formal notice" of her claims and threatening litigation. Although the final letter in this series was dated April 5, 2000, Petrella did not file the complaint in this case until January 2009. Petrella contends that she delayed filing the lawsuit until 2009 for several reasons, including (1) her brother's disability and her mother's illnesses that over a period of years required her attention and care; (2) her mother's fear of retaliation from the defendants; and (3) her family's inability to afford a lawsuit. She argues that these factors, combined with the defendants' affirmative conduct in telling her the film's financial position was hopeless, caused the delay.

These explanations are unsupported by evidence other than Petrella's own declaration, and in any event, they are insufficient to demonstrate that the filing delay was reasonable. There is no explanation as to why or how Petrella's brother's disability and her mother's illnesses had any impact on her failure

to file this lawsuit from 1990 until 2009, a period during which she was consulting with attorneys, renewing the copyright and sending letters to the defendants threatening a lawsuit. Petrella's excuse that she delayed because her family could not afford a lawsuit, even if true, does not make the delay reasonable. Such a "consideration appears generally to be invalid." *Danjaq*, 263 F.3d at 954-55. More importantly, the evidence suggests the true cause of Petrella's delay was, as she admits, that "the film hadn't made money" during this time period. A delay "to determine whether the scope of proposed infringement will justify the cost of litigation" may be reasonable; but delay for the purpose of capitalizing "on the value of the alleged infringer's labor, by determining whether the infringing conduct will be profitable" is not. *Id.* at 954 (internal quotation marks omitted). The district court did not err in finding Petrella's delays in notification and in filing suit – 19 years, combined – were unreasonable.

3. *Prejudice*

Laches also requires a showing that a defendant was prejudiced by the plaintiff's unreasonable delay. In evaluating this element, "[i]f only a short period of time has elapsed since the accrual of the claim, the magnitude of the prejudice required before the suit should be barred is great, whereas if the delay is lengthy, prejudice is more likely to have occurred and less proof of prejudice will be required." *Miller*, 454

F.3d at 1000 (alteration and internal quotation marks omitted).

The two primary forms of prejudice in the laches context are *expectations-based prejudice*, which exists where a defendant "took actions or suffered consequences that it would not have, had the plaintiff brought suit promptly;" and *evidentiary prejudice*, which exists where there are "such things as lost, stale, or degraded evidence, or witnesses whose memories have faded or who have died." *Danjaq*, 263 F.3d at 955 (citations omitted). We conclude that expectations-based prejudice exists here, so we need not consider evidentiary prejudice.

A defendant establishes expectations-based prejudice if it shows that "during the delay, it invested money to expand its business or entered into business transactions based on [its] presumed rights." *Miller*, 454 F.3d at 999. Specifically, there is prejudice where, "as a result of entering into such business transactions during the delay, it may incur liability for damages." *Id.* at 1000. Prejudice can also result from the "coming into existence of business plans and relationships based on reliance on the state of affairs challenged by the claims of the litigation." Howard B. Abrams, *Law of Copyright* § 13:48 (2011).

The defendants have established such prejudice here. Edward J. Slizewski, Senior Vice President for Participations & Residuals for Metro-Goldwyn-Mayer Studios, Inc., stated that, since Petrella learned of the allegedly infringing conduct in 1991, the defendants

"distributed the Film on a continuous basis in the United States and abroad, and . . . expended substantial financial and other resources as a part of this effort," including "costs relating to marketing, advertising, distributing and otherwise promoting the Film in various media."[3] He calculated that these costs totaled nearly $8.5 million in the United States alone. The defendants did not break out these expenditures into specific time periods, so we cannot identify and quantify those that were incurred before Petrella notified the defendants of her copyright claim in 1998. But it is clear that they incurred significant investments in promoting the film after several years elapsed following the end of the parties' exchange of letters in April 2000 without Petrella taking any action to carry out her threat of litigation.

For instance, in 2004 and 2005, the defendants "spent approximately $3 million to create, promote and distribute a 25th Anniversary Edition of the Film that was released in 2005." In 2008 and 2009, they "incurred more than $100,000 in costs to convert Raging Bull to the Blu-Ray format, and to promote, market and distribute the Film in that medium." Slizewski explained that "[t]hese activities and expenditures were made based on the understanding and belief that the [defendants] have complete ownership and control of the Film. . . . Had Ms. Petrella filed

---

[3] Petrella objected to Slizewski's declaration, arguing that it contradicted his deposition testimony. The district court did not abuse its discretion in overruling the objection.

suit in 1991 (or 1998), the [defendants] would have had an opportunity to litigate this claim prior to making these various and significant investments in the Film. Because no such suit was filed prior to 2009, the [defendants] were deprived of this opportunity."

In addition to these investments, Slizewski stated that the defendants had, since 1991, "entered into numerous agreements to license the Film, including various agreements in which television networks . . . are authorized to broadcast the Film through 2015. License agreements relating to future distribution also have been entered into (prior to the institution of this lawsuit) and provide for the Film to be distributed through defendant Twentieth Century Fox Home Entertainment LLC." Slizewski further testified:

> [T]he company has made commitments for a number of years through I think 2015 here in the United States for this particular picture and continues to, on a regular continuous basis, invest money into this title and to invest the overall sales effort in this title, everyone from television sales staff, frankly to the participation staff where I work in the company are dedicating some amount of their time to the continued distribution, and all the back office support related to this particular title, and frankly, to keeping this title out in the marketplace, out in the DVD marketplace, out in the television marketplace.

Nonetheless, Petrella argues that there is a triable issue because the defendants earned a substantial

profit as a result of the delay and, she alleges, would not have done anything different, or been in any better position, had the suit been filed sooner. We disagree. In *Jackson v. Axton*, 25 F.3d 884 (9th Cir. 1994), *overruled on other grounds by Fogerty v. Fantasy, Inc.*, 510 U.S. 517 (1994), we found prejudice after a delay of 18 to 22 years, despite the defendant's profit from the delay, and without any assertion that he would have acted differently had the suit been filed sooner. *Jackson* concerned an ownership dispute over the song "Joy to the World." During the period of the plaintiff's delay, the defendant had "arranged his business affairs around the Song, promoted the Song as his own, licensed the Song many times to third parties, and sold the Song. . . . [N]umerous business transactions ha[d] been made in reliance on [the defendant's] sole ownership of the Song." *Id.* at 889-90. This was sufficient to support the laches defense.

Our ruling in *Grand Canyon Trust v. Tucson Electric Power Co.*, 391 F.3d 979 (9th Cir. 2004), where we declined to find expectations-based prejudice, does not dictate a contrary result. There the Tucson Electric Power Company received a permit from the Environmental Protection Agency in 1977 authorizing the construction of a coal-powered electric generating plant, including two 350-megawatt coal-fired steam electric generating units. *See id.* at 983. One year after the permit was issued, Congress amended the Clean Air Act to add new requirements for such construction, but provided that permits already obtained would remain valid – and therefore not subject to the

new requirements – so long as (1) construction commenced by March 19, 1979; (2) construction was not discontinued for a period of 18 months or more; and (3) the project was completed within a "reasonable" amount of time. *See id.* The parties disputed whether these requirements were met, but all agreed that Tucson Electric completed construction of its two units in 1985 and 1990. *See id.* at 984.

In Spring 2001, after Tucson Electric publicly announced a plan to construct two additional coal-fired units, Grand Canyon trust, a non-profit environmental organization, became interested in the validity of the 1977 permit for the first time. *See id.* After conducting an investigation and concluding that the permit was invalid, Grand Canyon brought a citizen enforcement action under the Clean Air Act. *See id.* The district court granted summary judgment, concluding Grand Canyon's suit was barred by laches. *See id.* at 987-88. The court found expectations-based prejudice because, if it granted the relief Grand Canyon sought, Tucson Electric would be required to replace the originally installed equipment, which could cost up to $300 million. *See id.* at 988. We reversed:

> We do not see how this delay prejudiced Tucson Electric. Rather, it appears that Grand Canyon's delay worked to the benefit of Tucson Electric because it allowed Tucson Electric the opportunity to recover some or all of its investment in [the units] before this suit was filed. By contrast, if Grand Canyon had brought this action immediately after

> construction on each [u]nit was completed, and had the court held that Tucson Electric was required to replace the equipment it had just installed, Tucson Electric's loss would have been total. The original [u]nits would not have operated for a single day, and Tucson Electric would not have had the opportunity to recover any part of its immense investment. But in actual fact, Grand Canyon's delay allowed Tucson Electric to operate [the two units] for many years before having to replace them. Indeed, the longer the delay in bringing the suit, the greater the benefit – not the detriment – to Tucson Electric.

Id. at 988-89.

In short, Tucson Electric benefitted because the delay gave it time to recoup its already completed investment. That is not the case here. Rather, over the full 18 year period of Petrella's delay, the defendants invested financial and other resources in marketing, advertising, distributing and promoting the film, totaling $8.5 million domestically. They continued to make business decisions and enter into contracts relying upon their belief that they were the rightful owners of the right to exploit *Raging Bull*. To the extent they should be proved wrong in their legal assumption through this litigation, the anticipated profits from these investments and licensing agreements – the expectation of which underlay their business decision making – would wind up in Petrella's pocket. That is the essence of expectations-based

prejudice. The district court was justified in so finding, invoking the venerable Judge Learned Hand:

> In the copyright context, the most-repeated justification for the doctrine [of laches] was penned by Judge Learned Hand: "It must be obvious to every one familiar with equitable principles that it is inequitable for the owner of a copyright, with full notice of an intended infringement, to stand inactive while the proposed infringer spends large sums of money in its exploitation, and to intervene only when his speculation has proved a success. Delay under such circumstances allows the owner to speculate without risk with the other's money; he cannot possibly lose, and he may win." *Haas v. Leo Feist, Inc.*, 234 F. 105, 108 (S.D.N.Y. 1916).

Danjaq, 263 F.3d at 951.

Accordingly, we hold that Petrella's copyright infringement claim is barred by laches. We therefore do not reach the merits of the copyright infringement claim itself.[4]

---

[4] We reject Petrella's argument that the district court erred by ignoring evidence of the defendants' willful infringement. The laches defense cannot apply when the infringement "occurs with knowledge that the defendant's conduct constitutes copyright infringement." *Danjaq*, 263 F.3d at 957 (internal quotation marks omitted). However, willful or "deliberate" infringement "must mean more than simply not unintentional copying, connoting something along the lines of piratical conduct." 3 Nimmer § 12.06[B][5] (footnotes omitted). "[A] party accused of infringement, who

(Continued on following page)

II. Unjust Enrichment and Accounting

Petrella also sued for unjust enrichment and accounting, arguing that if the defendants were co-owners rather than infringers of the book, they would have had an ongoing duty to account to and pay Petrella for any monies derived through the exploitation of the book and its derivatives. *See Oddo v. Ries*, 743 F.2d 630, 633 (9th Cir. 1984) ("A co-owner of a copyright must account to other co-owners for any profits he earns from licensing or use of the copyright. . . . [This duty] comes from equitable doctrines relating to unjust enrichment and general principles of law governing the rights of coowners." (internal quotation marks omitted)).

Recovery of an unjust enrichment is an equitable remedy. *See McKesson HBOC, Inc. v. New York State Common Ret. Fund, Inc.*, 339 F.3d 1087, 1093 (9th Cir. 2003). Seeking an accounting, where the accounting is not provided for by contract, is also an equitable remedy. *See Dairy Queen, Inc. v. Wood*, 369 U.S. 469, 478 (1962). Because laches is an equitable defense, *see Jarrow Formulas, Inc. v. Nutrition Now, Inc.*, 304 F.3d 829, 835 (9th Cir. 2002), we agree with the district court that laches also bars Petrella's unjust enrichment and accounting claims. *See McKesson*, 339 F.3d at 1093 (rejecting the plaintiff's unjust

---

reasonably and in good faith believes the contrary, is not willful." *Id.* Petrella has failed to present evidence sufficient to raise a genuine issue of material fact as to the existence of willful infringement.

enrichment claim based on the equities); *Ronald E. Dimock, Dimock: Intellectual Property Disputes: Resolutions and Remedies* § 18.2(a)(i) (2008) ("since an accounting of profits is an equitable remedy, the plaintiff may be refused the remedy upon equitable grounds," such as a "long delay in commencing the proceedings") (footnotes omitted)).

III. Sanctions and Attorney's Fees

The defendants contend they are entitled to sanctions under Rule 11 and attorney's fees for Petrella's alleged unjustified filing and prosecution of this action, and ask that we remand for the district court to reconsider its denial of their sanctions and fees motions. We hold that the district court did not abuse its discretion in denying the motions.

1. *Rule 11 Sanctions*

Federal Rule of Civil Procedure 11 provides for the imposition of sanctions when a filing is frivolous, legally unreasonable, without factual foundation or brought for an improper purpose. *See Simpson v. Lear Astronics Corp.*, 77 F.3d 1170, 1177 (9th Cir. 1996).

The district court cited *White v. General Motors Corp., Inc.*, 908 F.2d 675, 682 (10th Cir. 1990), for the proposition that although "[p]art of a reasonable attorney's prefiling investigation must include determining whether any obvious affirmative defenses bar the case[,] . . . [a]n attorney need not forbear to file

her action if she has a colorable argument as to why an otherwise applicable affirmative defense is inapplicable in a given situation." The court found that Petrella had a reasonable belief that she could overcome the laches defense because laches is an equitable doctrine involving many variables, and the case was less clear cut than *Danjaq*. The district court concluded that sanctions were therefore not appropriate. We agree.

2. *Attorney's Fees Under 17 U.S.C. § 505*

Under the Copyright Act, a district court has discretion to award attorney's fees to the prevailing party. *See* 17 U.S.C. § 505; *see also Fogerty v. Fantasy, Inc.*, 510 U.S. 517 (1994) (reading § 505 as giving a district court broad discretion in deciding whether to award fees). "A district court's fee award does not constitute an abuse of discretion unless it is based on an inaccurate view of the law or a clearly erroneous finding of fact." *Fantasy, Inc. v. Fogerty*, 94 F.3d 553, 556 (9th Cir. 1996) (internal quotation marks omitted). "In deciding whether to award fees under the Copyright Act, the district court should consider, among other things: the degree of success obtained on the claim; frivolousness; motivation; objective reasonableness of factual and legal arguments; and need for compensation and deterrence." *Maljack Prods., Inc. v. GoodTimes Home Video Corp.*, 81 F.3d 881, 889 (9th Cir. 1996).

In denying attorney's fees, the district court evaluated several of these factors. The court denied the motion because it had "not grant[ed] summary judgment based on a lack of evidence of infringement, but solely on the ground that Plaintiff's claims were barred by laches." The court also concluded that an award of attorney's fees in this case "would have a deterrent effect upon other copyright owners in *Abend* situations who have valid claims," and "[s]uch a result would not 'further the policies of the Copyright Act.'" Because we agree that Petrella's attempt to distinguish *Danjaq* both legally and factually was not unreasonable, and there is no evidence of improper motive, the district court did not abuse its discretion by denying attorney's fees.

CONCLUSION

We hold that Petrella's copyright, unjust enrichment and accounting claims are barred by laches, and we therefore affirm the district court's grant of summary judgment in favor of the defendants. We also hold that the district court did not abuse its discretion by denying the defendants' motions for sanctions and attorney's fees. The parties shall bear their own costs on appeal.

AFFIRMED.

W. FLETCHER, concurring:

I concur in Judge Fisher's opinion, which faithfully applies our circuit's law of laches in copyright cases. But I do so only because we are compelled to follow our opinion in *Danjaq LLC v. Sony Corp.*, 263 F.3d 942 (9th Cir. 2001).

There is a severe circuit split on the availability of a laches defense in copyright cases. In the Fourth Circuit, there is no laches at all. If a copyright suit is brought within the statute of limitations, it may go forward. *Lyons P'ship. L.P. v. Morris Costumes, Inc.* 243 F.3d 789, 797-98 (4th Cir. 2001). In the Eleventh Circuit, "there is a strong presumption that a plaintiff's suit is timely if it is filed before the statute of limitations has run. Only in the most extraordinary circumstances will laches be recognized as a defense." *Peter Letterese & Assocs., Inc. v. World Inst. of Scientology Enters., Int'l,* 533 F.3d 1287, 1320 (11th Cir. 2008). Even if laches is found, "laches serves as a bar only to the recovery of retrospective damages, not to prospective relief." *Id.* at 1321. In the Second Circuit, laches is available as a bar to injunctive relief but not to money damages. *See New Era Publ'ns Int'l v. Henry Holt & Co.*, 873 F.2d 576, 584-85 (2d Cir. 1989). In the Sixth Circuit, laches is available in only "the most compelling of cases." *Chirco v. Crosswinds Cmtys., Inc.*, 474 F.3d 227, 233 (6th Cir. 2007).

Our circuit is the most hostile to copyright owners of all the circuits. In the Ninth Circuit, laches can bar all relief, both legal and equitable, when "(1) the

plaintiff delayed in initiating the lawsuit; (2) the delay was unreasonable; and (3) the delay resulted in prejudice." Maj. Op., at 10176 (citing *Danjaq*, 263 F.3d at 951).

There is nothing in the copyright statute or its history to indicate that laches is a proper defense to a suit brought under the Act. The Copyright Act of 1909 ("1909 Act") did not contain a statute of limitations. Pub. L. No. 60-349, 35 Stat. 1075. Federal courts applying the 1909 Act used state statutes that provided various limitations periods, and Congress eventually became dissatisfied with the resulting problem of forum shopping by plaintiffs. S. Rep. No. 85-1014, *reprinted in* 1957 U.S.C.C.A.N. 1961, 1961. In 1957, Congress amended the 1909 Act to provide a three-year statute of limitations. Act of September 7, 1957, Pub. L. No. 85-313, 71 Stat. 633. The accompanying Senate Report noted that the adoption of a federal limitations period would extinguish equitable defenses such as laches. S. Rep. No. 85-1014, *reprinted in* 1957 U.S.C.C.A.N. 1961, 1963 ("[C]ourts generally do not permit the intervention of equitable defenses or estoppel where there is a [statute of] limitation on the right" (quoting H. Rep. No. 85-150)). The Copyright Act of 1976 ("1976 Act") replaced the 1909 Act. The 1976 Act re-enacted the three-year limitations period for civil copyright claims using language identical to the 1957 amendment. Pub. L. No. 94-553, § 507(b), 90 Stat. 2541, 2586. Laches in copyright cases is thus entirely a judicial creation. And it is a creation that is in tension with Congress' intent.

Modern courts seeking to justify the application of laches in copyright cases typically quote from Judge Learned Hand's opinion in *Haas v. Leo Feist Inc.*, 234 F. 105, 108 (S.D.N.Y. 1916):

> It must be obvious to every one familiar with equitable principles that it is inequitable for the owner of a copyright, with full notice of an intended infringement, to stand inactive while the proposed infringer spends large sums of money in its exploitation, and to intervene only when his speculation has proved a success. Delay under such circumstances allows the owner to speculate without risk with the other's money; he cannot possibly lose, and he may win. If the defendant be a deliberate pirate, this consideration might be irrelevant . . . ; but it is no answer to such inequitable conduct, if the defendant Feist is innocent, to say that its innocence alone will not protect it. It is not its innocence, but the plaintiff's availing himself of that innocence to build up a success at no risk of his own, which a court of equity should regard.

See, e.g., Maj. Op. at 10183-84 (quoting from this passage); *Danjaq*, 263 F.3d at 957 (same). This passage from Judge Hand is a classic invocation of equitable estoppel, which is distinct from its equitable cousin, laches. *Compare* 6 William F. Patry, *Patry on Copyright* § 20:55 (2012) (criticizing *Danjaq* for failing to distinguish between equitable estoppel and laches).

The elements of an equitable estoppel defense have been variously stated. We wrote in a copyright infringement case:

> Four elements must be present to establish the defense of estoppel: (1) The party to be estopped must know the facts; (2) he must intend that his conduct shall be acted on or must so act that the party asserting the estoppel has a right to believe that it is so intended; (3) the latter must be ignorant of the true facts; and (4) he must rely on the former's conduct to his injury.

Hampton v. Paramount Pictures Corp., 279 F.2d 100, 104 (9th Cir. 1960) (internal citation omitted). The Second Circuit wrote more succinctly, but to roughly the same effect, in a copyright case:

> Under federal law, . . . a party can be estopped from pursuing a claim where: (1) the party makes a misrepresentation of fact to another party with reason to believe that the other party will rely on it; (2) the other party relies on the misrepresentation to his detriment.

Marvel Characters, Inc. v. Simon, 310 F.3d 280, 292 (2d Cir. 2002) (internal citation omitted). Equitable estoppel can be a complete defense against a claim, as to both legal and equitable remedies. *A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020, 1041 (Fed. Cir. 1992) (en banc).

The elements of a laches defense are less demanding. In our circuit, laches in copyright cases does not

require actual knowledge by the copyright owner of the defendant's infringement. It requires only that the owner "should have known" of the infringement. *See Kling v. Hallmark Cards Inc.*, 225 F.3d 1030, 1036 (9th Cir. 2000). A laches defense is available to an infringer so long as the infringer is not a "deliberate pirate," to use Judge Hand's phrase, whom our circuit defines as a "willful infringer." *Danjaq*, 263 F.3d at 956-59. A showing of actual harm to the defendant is not necessary. An infringer can establish expectation-based prejudice by showing that he has invested money to exploit the copyright, whether or not he has made a profit as a result of the owner's delay. Maj. Op. at 10182-83.

Our circuit has taken a wrong turn in its formulation and application of laches in copyright cases. We should revisit our case law to provide appropriate protection to innocent copyright owners who have brought infringement suits within the statute of limitations. A recognition of the distinction between equitable estoppel and laches would be a good place to start.

APPENDIX B

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

PAULA PETRELLA,

Plaintiff(s),

v.

METRO-GOLDWYN-MAYER, INC., ET AL.,

Defendant(s).

No. CV 09-72-GW (MANx)

Filed Feb. 3, 2010

Statement of Decision on Defendants' Motion for Summary Judgment

I. INTRODUCTION

This is an action for copyright infringement.[1] Plaintiff Paula Petrella ("Plaintiff") is the heir of an author of an original work which allegedly became the basis for the film, "Raging Bull" (the "Film"). Defendants Metro-Goldwyn-Mayer Inc., Metro-Goldwyn-Mayer Studios Inc., Metro-Goldwyn-Mayer Home Entertainment LLC, MGM Home Entertainment Distribution Corp. (together, "MGM"), United Artists

---

[1] The First Amended Complaint ("FAC") contains three causes of action: 1) copy right infringement, 2) unjust enrichment, and 3) accounting.

Corporation ("UA"), and Twentieth Century Fox Home Entertainment LLC (collectively, "Defendants") are the ostensible owners of copyright (and/or distribute or assist in the distribution) of the Film. Plaintiff's lawsuit presents, potentially, an interesting variation on the problems that might arise from the fact that a derivative work cannot be exploited after the expiration of the original copyright term in the underlying work without the consent of the copyright owner in the renewal term. *See generally, Stewart v. Abend,* 495 U.S. 207, 220 (1990). Because Defendants have established each element of the equitable defense of laches, however, and because Plaintiff has not identified any material fact in dispute as to whether there was deliberate infringement, the Court need not address in this decision the question of whether there are such similarities between the underlying work and the derivative work that Plaintiff's ownership of the underlying work might allow her to prevent the Film from being shown or distributed.

Defendants' Motion for Summary Judgment and supporting papers were filed on September 25, 2009. Plaintiff's Opposition was filed on October 13, 2009. Reply papers were filed on October 15, 2009. Oral argument was heard on October 22, 2009. After considering all of the parties' papers and oral arguments, the Court now GRANTS Defendants' Motion for Summary Judgment.

II. BACKGROUND

Plaintiff's father, Frank Petrella ("Petrella"), collaborated with his long-time friend, Jake LaMotta ("LaMotta"), to produce a book (the "Book") and two screenplays (the "1963 Screenplay" and the "1973 Screenplay") (together, the "Subject Works") about LaMotta's life. Together, the Subject Works allegedly became the basis for the movie, "Raging Bull," which was released in 1980. All of the Subject Works were registered with the United States Copyright Office. The 1963 Screenplay was registered in 1963, listing Petrella as the claimant and sole author. *See* Declaration of David Grossman ("Grossman Decl.") at Exhibit ("Ex.") L (Docket No. 43). This notwithstanding, the title page of the 1963 Screenplay states that it was written "in collaboration with" LaMotta. *Id.*, Ex. I. The Book was registered in 1970, listing "Peter Savage" (a pseudonym of Petrella), LaMotta, and Joseph Carter as co-authors. *Id.*, Ex. M. The 1973 Screenplay was registered in 1973, listing Petrella as the sole author and giving 1970 as the date of publication. *Id.*, Ex. N. On the copyright registration certificate issued, it was noted that the work, "The Raging Bull," was a "screenplay from the book of the same name." *Id.*

Pursuant to a written agreement dated November 19, 1976 (the "1976 Agreement"), Petrella and LaMotta assigned to Chartoff-Winkler Productions, Inc. ("CWP"), "exclusively and forever, including all periods of copyright and renewals and extensions thereof," all of their respective copyright rights in the

Book and "in and to those certain screenplays based on [the Book] which were written in 1963 and 1973," save for a reservation of certain rights (not at issue herein) to the authors of the Book. *See* Defendant's Response to Plaintiff's Statement of Genuine Issues in Dispute ("RSS") at No. 7; *see also* Grossman Decl., Ex. A. The 1976 Agreement represented that the Book "is original and has not been copied or adapted from any literary, dramatic, or other work." RSS No. 9; Grossman Decl., Ex. A. It further represented that "[t]he Petrillo (sic) Screenplays are original and have not been copied or adapted from any literary, dramatic, or other work other than [the Book]." RSS No. 10.

In or about September 1978, UA (a wholly owned subsidiary of MGM) acquired the motion picture rights to "Raging Bull" pursuant to a written assignment from CWP. RSS Nos. 12, 13. UA registered a copyright in the film in or about September 1980. RSS No. 14. Petrella died in 1981 during the original 28-year term of the copyrights for the Subject Works, and his renewal rights in the Subject Works passed to his heirs.[2] RSS Nos. 15-17. Plaintiff alleges that she is now the sole owner of the Petrella interest in the three Subject Works. *See* RSS No. 19. In 1990, Plaintiff learned of the *Stewart v. Abend* decision and engaged an entertainment attorney, Lawrence Shire, to advise and assist her regarding her renewal rights

---

[2] Joseph Carter was reported to have died in 1984. *See* Grossman Decl. Ex. P at Bates-stamped page PP00747.

in the Subject Works. *See* RSS No. 21. In 1991, Plaintiff's attorney filed a renewal registration for the 1963 Screenplay. RSS No. 22. Plaintiff did not make any claims or pursue litigation at that time. RSS No. 23. Plaintiff did not timely renew the copyrights in the 1973 Screenplay or the Book. *See* RSS No. 27.

In or about September 1998, attorney Shire contacted MGM concerning Defendants' exploitation of the film. RSS No. 24. MGM rejected Plaintiff's claim on two bases. *See* RSS No. 25. First, it contended that the 1963 Screenplay was a collaboration between Petrella and LaMotta, so it retained all necessary rights in the script pursuant to its agreement with LaMotta. *See id.*; Grossman Decl. Ex. E. Second, it contended that there was no substantial similarity of protectable elements between the Film and the 1963 Screenplay. *Id.* Subsequently, as reflected in the current motion, Defendants refined their position to argue that it does not matter whether Petrella was the sole author of the 1963 Screenplay, because Petrella and LaMotta represented that the 1963 Screenplay was based on the Book. *See* RSS No. 25. With their Reply brief, Defendants further clarify their argument to state that, because LaMotta was a co-author of the Book who had the power to fully assign his interest in that property, even if the Court were to find that the Book is a derivative work based on the 1963 Screenplay, LaMotta's assignment of rights to the Book to Defendants means that they cannot be liable for copyright infringement with respect to the 1963 Screenplay. The Court would

reject the latter contention except as to material that is unique to the Book (and to the 1970 Screenplay and to the historical facts of LaMotta's life) as opposed to the 1963 Screenplay.

III. LEGAL STANDARD

Summary judgment is proper "if the pleadings, depositions, answers to interrogatories, and admissions on file, together with affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." Fed. R. Civ. P. 56(c). "Only disputes over facts that might affect the outcome of the suit under the governing law will properly preclude the entry of summary judgment." *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). For a dispute to be genuine, there must be sufficient evidence "such that a reasonable jury could return a verdict for the nonmoving party." *Id.* "The moving party bears the initial burden to demonstrate the absence of any genuine issue of material fact." *Horphag Research Ltd. v. Garcia*, 475 F.3d 1029, 1035 (9th Cir. 2007) (citation omitted). "Once the moving party meets its initial burden, . . . the burden shifts to the nonmoving party to set forth, by affidavit or as otherwise provided in Rule 56, specific facts showing that there is a genuine issue for trial." *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986) (internal quotation marks and citations omitted).

IV. ANALYSIS

A. There Is a Factual Dispute Whether the Book Is a Derivative Work

Although Plaintiff's Complaint treats the three Subject Works together as the basis for her claim of copyright infringement (and alleges that all three works have been properly renewed), it is clear that analysis of her claims must focus on the 1963 Screenplay alone, as she now concedes that is the only one of the Subject Works for which a timely renewal has been filed. "In the absence of an agreement to the contrary, one joint owner may always transfer his interest in the joint work to a third party, subject only to the general requirements of a valid transfer of copyright." 1 *Nimmer on Copyright* § 6.11 at 6-38.1 (2009) ("*Nimmer*"). Thus, in order to have a claim for copyright infringement with respect to the 1963 Screenplay, it would seem that Plaintiff must contend that it is, as its registration certificate states, a work of *sole* authorship. In addition, and more problematically, in order to show infringement of any elements that are present in the 1963 Screenplay (and are also present in the Book and/or the 1973 Screenplay), Plaintiff would have to be able to show: 1) that, contrary to Petrella's representation in the 1976 Agreement, the Book is a derivative work based on the 1963 Screenplay, and 2) that Defendants' exploitation of the Film based on its ownership of rights in the Book would constitute infringement of Plaintiff's copyright in the 1963 Screenplay.

Even if Plaintiff could show that the Book is a derivative work, however, Defendants argue that they would still have the right to use the Book because they were granted rights in the Book by LaMotta. Even if LaMotta himself did not have the right to produce derivative works of the 1963 Screenplay, they argue, he could still, as a co-author of a derivative work based on that screenplay, grant rights in the derivative work which would serve as a defense to a claim of infringement of the underlying work.

Defendants' efforts to negate Plaintiff's contention that the 1963 Screenplay is a work of sole authorship are not compelling. Although the title page of the1963 [sic] Screenplay states that it was written "in collaboration with" LaMotta, this attribution is not inconsistent with Petrella's claim of sole authorship unless it can be shown that LaMotta made some creative contribution to the screenplay. Defendants' inability to establish this precludes any finding for the purpose of summary judgment that LaMotta was a co-author of the 1963 Screenplay.[3]

---

[3] As Defendants themselves admit: "The only question is whether Jake LaMotta's collaborative 'contributions' were sufficient to rise above the 'de minimis' level required under the Copyright Act. . . . However, as LaMotta and Petrella can no longer testify regarding the timing or origin of this work, this issue can never be conclusively resolved." *See* RSS at No.3.

Whether the 1963 Screenplay is a derivative work based on the Book[4] and/or whether the Book is a derivative work based on the 1963 Screenplay, are somewhat harder questions, but they, too, do not have to be definitively answered in light of this Court's decision on the laches issue, *infra*. Moreover, the answers would only matter with respect to those protectable elements (if any) that are unique to the 1963 Screenplay. If the 1963 Screenplay were a derivative work of sole authorship based on the Book, and Defendants were assigned LaMotta's rights in the book, Defendants would share in the right to create derivative works based on the Book, but Plaintiff might still be able to assert a claim for copyright infringement based on any new elements in the 1963 Screenplay. Similarly, if the Book were a derivative work of the 1963 Screenplay, even if Defendants own the rights to the book, Plaintiff might still potentially have a claim of copyright infringement based on any copyrightable expression that exists in the 1963 Screenplay but not in the Book.[5]

---

[4] Although seemingly incongruent on a temporal level, the 1976 Agreement (which was executed/signed by Peter Savage under the pseudonym "Frank Peter Petrillo [sic]") states that both the 1963 and 1973 screenplays were "based on" the "published work . . . entitled 'RAGING BULL' written by Jake LaMotta, Peter Savage and Joseph Carter. . . ." *See* Exhibit A to Declaration of David Grossman (Docket Item No. 45) at Bates-stamped page MGM00668.

[5] Such is the legacy of the Supreme Court's decision in *Stewart v. Abend*.

There is at least a factual dispute whether the 1963 Screenplay is, as Defendants argue, a derivative work based on the Book. Plaintiff asserts that the 1963 Screenplay was created before the Book. The most compelling evidence in this regard would seemingly be the Registration Certificates themselves. No date of publication is given on the Registration Certificate for the Book, but Defendants concede that the Book was published in 1970. *See* RSS No. 56. The question then arises as to how, then, the Book could be characterized as a "pre-existing work" to the 1963 Screenplay. *See* 17 U.S.C. § 101 (defining "derivative works"). Indeed, the "general rule" is that publication of a derivative work constitutes publication of the underlying work. *See generally* 1 *Nimmer* § 4.12[A] at 4-59. If the Book already existed at the time the 1963 Screenplay was registered, publication of the 1963 Screenplay arguably would have cast it into the public domain. *See Richlin v. MGM Pictures, Inc.*, 531 F.3d 962, 964 (9th Cir. 2008) ("Publication before the effective date of the current Copyright Act divested an author of his common law copyright rights and injected the work into the public domain free for anyone to use.").

Defendants correctly observe that Plaintiff in her declaration purports to attest to events related to the issue of the date the Book was created that occurred when she was so young they cannot possibly be within her personal knowledge. Moreover, they have filed objections to her documentary evidence in this regard (Ex. 4 to the Petrella Declaration) based on

the fact that it was not produced during discovery and is hearsay. Nevertheless, based on Defendants' concession that the Book was published in 1970, there is at least a factual dispute whether the 1963 Screenplay was based on the Book. One can imagine, possibly, an argument for why Plaintiff should be estopped from asserting that this is the case based upon the representations in the 1976 Agreement that the Book "is original and has not been copied or adapted from any literary, dramatic, or other work," but Defendants have not made it. Thus, there is a triable issue.

B. LaMotta's Transfer of Rights in the Book Precludes a Claim for Copyright Infringement Only with Respect to Any Protectable Expression That is New to the Book.

Assuming that Plaintiff is correct that the Book is a derivative work based upon the 1963 Screenplay, what would be the effect of LaMotta's transfer of his rights in the Book? Defendants argue that, because the Book is a joint work of authorship, each owner possesses "an undivided ownership interest in the entire work, including all of the contributions contained therein." 1 *Nimmer* § 6.03 at 6-7. Thus, they argue, even if the Book was based on the 1963 Screenplay, and even if the Court or trier of fact were to conclude that the 1963 Screenplay was a work of sole authorship by Petrella, LaMotta still would have had the right to authorize the use of the Book. The

right of a co-owner to license the use of the copyright being well-established, *see e.g., Meredith v. Smith,* 145 F.2d 620, 621 (9th Cir. 1944), Defendants argue that as a result of the 1976 Agreement they are LaMotta's licensees. (Whether the 1976 Agreement is treated as a transfer of LaMotta's interest in the copyright or a grant of non-exclusive license probably does not matter with respect to Plaintiff's copyright infringement claim). Nimmer observes that "an authorization to the defendant from one joint owner will be an effective defense to an infringement action brought by another joint owner." 1 *Nimmer* §6.10[A] at 6-35. The question then becomes whether such an authorization will also provide a defense to an action for infringement of an underlying work created solely by a co-owner. It will not.

17 U.S.C. § 103(b) provides:

> The copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. The copyright in such work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material.

Therefore, if the Book is a derivative work of the 1963 Screenplay, Plaintiff still could have a claim of copyright infringement with respect to any parts of the

Book that are also present in the 1963 Screenplay, even though Defendants may have received a valid license from LaMotta.

C. Defendants Have Not Shown that They Are Entitled to Summary Judgment on the Issue of Substantial Similarity between the Film and the 1963 Screenplay

In order to prevail on her claim of copyright infringement, Plaintiff must show that the Film copied "constituent elements of [the 1963 Screenplay] that are original." *Funky Films, Inc. V. Time Warner Entm't Co.*, 462 F.3d 1072, 1076 (9th Cir. 2006). In their Separate Statement, Defendants assert that there are only four supposedly copyrightable elements common to both the Film and the 1963 Screenplay that do not exist in either the Book or the 1973 Screenplay: (1) the use of fight vignettes and vignettes of Jake's personal life; (2) the use of sound of pictures from actual fights; (3) "popping camera flashbulbs;" and (4) the use of the phrase "playing possum." *See* RSS No. 33. Fairly clearly, none of these elements would provide the basis for a claim of copyright infringement. The only evidentiary support offered for Defendants' assertion, however, consists of Plaintiff's responses to interrogatories in which she identifies numerous supposed similarities between the 1963 Screenplay and Film based upon "sequence of events," theme and tone, characters, and settings. It is not clear how the Court is supposed to determine

that all but four of these similarities are present in the other Subject Works.

More generally, Defendants argue that the only similar elements between the 1963 Screenplay and the Film arise from the use of historical acts, biographical details, and scenes-a-faire. While many of the similarities identified by Plaintiff arguably arise from historical events and are not protectable, the issue of substantial similarity in this context is probably not conducive to summary judgment. As Plaintiff notes, the Ninth Circuit has held that if "an indicia of a sufficient disagreement concerning the substantial similarity of the two works" is present "then the case must be presented to the trier of fact." *Swirsky v. Carey,* 376 F.3d 841, 845 (9th Cir. 2004). Moreover, it has been noted that where a high degree of access to the allegedly infringed work is shown, "a lower standard of proof of substantial similarity" is required. *Three Boys Music Corp. v. Bolton,* 212 F.3d 477, 485 (9th Cir. 2000). The question of when and how the use of biographical details or historical fact in an artistic work can give rise to copyrightable expression is rather more complicated than Defendants would allow. The Court will deny their motion for summary judgment on this point.

It is noted that Plaintiff has also submitted, with her opposition papers, the declaration of Dr. Lew Hunter going to the supposed similarities between the 1963 Screenplay and the Film. Defendants have objected to the Hunter Declaration based on the fact that Plaintiff failed to disclose Hunter's testimony on

this point and refused to answer questions at her deposition regarding Hunter's analysis of substantial similarity. Even if this objection were well-taken (as it may be), Defendants have failed to carry their initial burden on this point.

D. Defendants Are Entitled to Summary Judgment with Respect to their Equitable Defense of Laches

Although laches is an equitable defense, the underlying elements of a laches defense are factual determinations. Defendants have met their burden of showing that there is an absence of disputed issues of fact in this regard. "To establish laches, a defendant must establish (1) lack of diligence by the plaintiff, and (2) prejudice to the defendant." *Grand Canyon Trust v. Tucson Elec. Power Co.*, 391 F.3d 979, 987 (9th Cir. 2004).

"The first element of laches is delay. Generally speaking, the relevant delay is the period from when the plaintiff knew (or should have known) of the allegedly infringing conduct, until the initiation of the lawsuit in which the defendant seeks to counterpose the laches defense. [Citations]." *Danjaq LLC v. Sony Corp.*, 263 F.3d 942, 952 (9th Cir. 2001). It is essentially undisputed that Plaintiff had knowledge of the legal theories she is asserting in this action in 1990 or 1991 when she initially retained counsel and filed a renewal application for the 1963 Screenplay. *See* RSS Nos. 21-22. However, Plaintiff testified that she

refrained from filing suit at that time because the Film was not yet profitable. RSS No. 23. (Indeed, it apparently still has not earned a profit). Approximately seven years later, an attorney retained by Plaintiff initiated correspondence with Defendants and Plaintiff again never filed suit at that point – even after being told that Defendants were taking the position that there was no legal basis for any of her claims. RSS Nos. 24-26. "Laches is based on the plaintiff's delay in beginning litigation, not on the information a defendant has regarding a claim." *Id.* at 953 (quoting *Jackson v. Axton,* 25 F.3d 884, 889 (9th Cir. 1994). This element of Defendants' laches defense is easily satisfied.

The next question in assessing Plaintiff's diligence in pursuing the instant litigation is whether her delay was reasonable. In *Danjaq,* the Ninth Circuit wrote:

> In determining reasonableness, courts look to the cause of the delay. Delay has been held permissible, among other reasons, when it is necessitated by the exhaustion of remedies through the administrative process, [citation]; when it is "used to evaluate and prepare a complicated claim," [citation]; and when its purpose is "to determine whether the scope of proposed infringement will justify the cost of litigation," [citation]. By contrast, delay is impermissible when its purpose is to capitalize on the value of the alleged infringer's labor, by determining whether the

> infringing conduct will be profitable. [Citation].

Here, the only justification offered for the delay is that Plaintiff waited to bring suit to assess the Film's profitability. In arguing the appropriateness of her delay in bringing suit, Plaintiff expressly relies upon *Lottie Joplin Thomas Trust v. Crown Publishers, Inc.*, 456 F.Supp. 531, 534 (S.D.N.Y. 1977), in which a district court found that a delay by the composer Scott Joplin's widow's trust in bringing an infringement action was reasonable because his works had "rested in oblivion" until they were essentially rediscovered in the 1970's. Here, even if the Court were to conclude that this holding is not inconsistent with *Danjaq* (which obviously controls), the situation is not analogous. "Raging Bull" has never rested in oblivion but is considered to be one of (if not the) best motion pictures of the decade of the 1980's. The Court concludes that Plaintiff's delay in bringing suit was unreasonable.

Finally, Defendants have shown prejudice resulting from the delay. "Courts have recognized two chief forms of prejudice in the laches context – evidentiary and expectations-based." *Grand Canyon Trust*, 391 F.3d at 987 (quoting *Danjaq*, 263 F.3d at 955). Defendants assert that they have been prejudiced as a result of Plaintiff's delay in bringing her claims because they have made significant investments in exploiting the film "based on their understanding that [they] were the rightful registrant and owner of the film." MSJ 21:23-25. If Plaintiff were permitted to

go forward with her lawsuit, she would potentially be allowed to reap the benefit of these expenditures. As the Ninth Circuit has observed,

> In the copyright context, the most-repeated justification for the doctrine [of laches] was penned by Judge Learned Hand: "It must be obvious to every one familiar with equitable principles that it is inequitable for the owner of a copyright, with full notice of an intended infringement, to stand inactive while the proposed infringer spends large sums of money in its exploitation, and to intervene only when his speculation has proved a success. Delay under such circumstances allows the owner to speculate without risk with the other's money; he cannot possibly lose, and he may win. *Haas v. Leo Feist, Inc.*, 234 F. 105, 108 (S.D.N.Y. 1916)."

Danjaq LLC, 263 F.3d at 951. Although Plaintiff speculates that Defendants' conduct would have been the same whether she had filed suit or not, Defendants undisputably have shown that they have suffered "expectations-based" prejudice from Plaintiff's delay in bringing suit.

Defendants have also shown evidentiary prejudice resulting from the long delay. They note that Plaintiff now is attempting to contradict representations by Petrella and LaMotta in the 1976 Agreement that the Book is original and the two Screenplays were based on the Book. At this time, LaMotta is 88 years old and has suffered myriad blows to his head as a fighter years ago. Plaintiff has proffered no

evidence that LaMotta would be able to testify as to the important events in this case. Indeed, Plaintiff herself testified that LaMotta no longer recognizes her, even though he has known her for forty years. Likewise, both Petrella and Joseph Carter, who are listed in the copyright registration as the authors of the Book, have died. Also deceased are Petrella's wife and Vickie LaMotta (Jake's then wife depicted in the film). "Evidentiary prejudice includes . . . witnesses whose memories have faded or who have died." *Danjaq LLC,* 263 F.3d at 955. Although Plaintiff suggests that there [sic] numerous persons still alive who might be able to testify "on subjects relevant to this case," as observed in *Danjaq LLC,* "the inquiry is not whether *some* witnesses might be available – it is whether the absence of *other* witnesses (who will be absent because of [plaintiff's] delay) will prejudice [the defendant]. . . . That there are a few survivors to tell part of the story does nothing to erase the prejudice caused by the unavailability of most of the key players." *Id.* at 956.

There are strong equitable arguments against allowing this action to proceed. Thus, Defendants' motion for summary judgment on their laches defense is GRANTED.

E. Laches Will Bar Not Only Plaintiff's Copyright Infringement Cause of Action but also Her Unjust Enrichment and Accounting Claims

As stated in *Boone v. Mechanical Specialties Co.*, 609 F.3d 956, 958 (9th Cir. 1979), "Laches is an equitable time limitation on a party's right to bring suit. The doctrine bars an action where a party's unexcused or unreasonable delay has prejudiced his adversary." The laches defense rests on the maxim that "one who seeks the help of a court of equity must not sleep on his rights." *See Jarrow Formulas, Inc. v. Nutrition Now, Inc.*, 304 F.3d 829, 835 (9th Cir. 2002).

Recovery of an unjust enrichment is an equitable remedy. *McKesson HBOC, Inc. v. New York State Common Ret. Fund, Inc.* 339 F.3d 1087, 1093 (9th Cir. 2003); *Cruz v. PacifiCare Health Systems, Inc.*, 30 Cal.4th 303, 311 (2003). Seeking an accounting (which is not provided for in a contract) is also an equitable remedy. *Dairy Queen, Inc. v. Wood,* 369 U.S. 469, 478 (1962); *First Pac. Holding, Inc. v. Helfer,* 224 F.3d 1117, 1126 (9th Cir. 2000).

As noted above, Defendants have established that there are no material issues of fact in dispute and that Plaintiff's lawsuit is barred by the doctrine of laches. Laches will serve as a basis for precluding Plaintiff from proceeding on her equitable state claims for unjust enrichment and accounting.

V. CONCLUSION

For the foregoing reasons, Defendants' motion for summary judgment is GRANTED on the basis of their affirmative defense of laches as to all three of Plaintiff's causes of action in her FAC.

The Plaintiff's evidentiary objections are dealt with in a separate Ruling on Plaintiff's Evidentiary Objections and Request to Strike Certain Evidence Submitted by Defendants.

Defendants are to prepare a proposed Judgment to be served on the Plaintiff and lodged with the Court by February 10, 2010.

Dated: This 3rd day of February, 2010.

/s/ George H. Wu
GEORGE H. WU
United States District Judge

APPENDIX C

UNITED STATES COURT OF APPEALS, NINTH CIRCUIT

PAULA PETRELLA, an individual,

Plaintiff-Appellant,

v.

METRO-GOLDWYN-MAYER, INC., a corporation; METRO-GOLDWYN-MAYER STUDIOS, INC., a corporation; METRO-GOLDWYN-MAYER HOME ENTERTAINMENT, LLC, a limited liability company; METRO-GOLDWYN-MAYER HOME ENTERTAINMENT DISTRIBUTION CORPORATION, a corporation; UNITED ARTISTS CORPORATION, a corporation; 20TH CENTURY FOX HOME ENTERTAINMENT, LLC, a limited liability company,

Defendants-Appellees.

No. 10-55853

Petition for Rehearing Filed Aug. 29, 2012
Petition for Rehearing Denied Jan. 30, 2013

Appeal from the United States District Court for the Central District of California
George H. Wu, District Judge, Presiding
D.C. No. 2:09-cv-00072-GW-MAN

Before: W. FLETCHER, and FISHER, Circuit Judges, and ZOUHARY, District Judge.*

Judge W. Fletcher and Judge Fisher have voted to deny the petition for rehearing en banc, and Judge Zouhary so recommends.

The full court has been advised of the petition for rehearing en banc and no judge has requested a vote on whether to rehear the matter en banc. Fed. R. App. P. 35.

The petition for rehearing en banc, filed August 29, 2012, is **DENIED**.

---

* The Honorable Jack Zouhary, United States District Judge for the Northern District of Ohio, sitting by designation.

OPPOSITION BRIEF

RECORD
AND
BRIEFS

AUG 2 - 2013

No. 12-1315

IN THE
Supreme Court of the United States

PAULA PETRELLA,

Petitioner,

v.

METRO-GOLDWYN-MAYER INC., ET AL.,

Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

BRIEF IN OPPOSITION

JONATHAN ZAVIN
LOEB & LOEB LLP
345 Park Avenue
New York, New York 10154
(212) 407-4000

DAVID GROSSMAN
LOEB & LOEB LLP
10100 Santa Monica Boulevard
Suite 2200
Los Angeles, California 90067
(310) 282-2000

MARK A. PERRY
Counsel of Record
BLAINE H. EVANSON
GIBSON, DUNN & CRUTCHER LLP
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036
(202) 955-8500
mperry@gibsondunn.com

Counsel for Respondents

Library of Congress
Law Library

QUESTION PRESENTED

Whether the district court had discretion under the equitable doctrine of laches to bar this copyright infringement claim, in which petitioner unreasonably delayed filing suit for 18 years after her claim accrued and she had knowledge of her alleged rights, causing both economic and evidentiary prejudice to respondents.

PARTIES TO THE PROCEEDING AND RULE 29.6 STATEMENT

Pursuant to this Court's Rule 29.6, undersigned counsel state that:

MGM Holdings Inc. is the ultimate parent company of: Metro-Goldwyn-Mayer Inc.; Metro-Goldwyn-Mayer Studios Inc.; Metro-Goldwyn-Mayer Home Entertainment LLC; Metro-Goldwyn-Mayer Home Entertainment Distribution Corp.; and United Artists Corp.

Twentieth Century Fox Home Entertainment LLC is a wholly owned subsidiary of Twenty-First Century Fox, Inc., a publicly traded corporation organized under the laws of Delaware. No publicly traded corporation other than Twenty-First Century Fox, Inc. owns 10% or more of the stock of Twentieth Century Fox Home Entertainment LLC.

TABLE OF CONTENTS

Page

OPINIONS BELOW 1

JURISDICTION 1

STATEMENT 1

ARGUMENT 7

I. THE DECISION BELOW IS CORRECT 8

A. LACHES MAY BAR A COPYRIGHT CLAIM WHERE UNREASONABLE DELAY CAUSES PREJUDICE 9

B. PETITIONER'S UNREASONABLE DELAY IN FILING SUIT CAUSED PREJUDICE TO RESPONDENTS 11

II. THERE IS NO CONFLICT IN THE CIRCUITS THAT WARRANTS REVIEW 15

A. THE COURTS OF APPEALS ARE NOT DIVIDED ON THE ELEMENTS OF THE EQUITABLE LACHES DEFENSE 15

B. VARYING OUTCOMES IN INDIVIDUAL CASES REFLECT COURTS' EXERCISE OF EQUITABLE DISCRETION 19

III. THIS CASE IS A POOR VEHICLE FOR THE COURT'S REVIEW 21

CONCLUSION 24

TABLE OF AUTHORITIES

Page(s)

CASES

Chirco v. *Crosswinds Cmtys., Inc.*,
474 F.3d 227 (6th Cir. 2007).....16

Cnty. of Oneida v. *Oneida Indian Nation*,
470 U.S. 226 (1985).....10, 11

Costello v. *United States*,
365 U.S. 265 (1961).....8, 9, 15, 18, 21

Danjaq LLC v. *Sony Corp.*,
263 F.3d 942 (9th Cir. 2001).....3, 12, 16

eBay Inc. v. *MercExchange, L.L.C.*,
547 U.S. 388 (2006).....8, 9, 10, 18, 20

E-Systems, Inc. v. *Monitek, Inc.*,
720 F.2d 604 (9th Cir. 1983).....9

Gardner v. *Pan. R. Co.*,
342 U.S. 29 (1951).....9, 10, 20

Gilmore v. *Anderson*,
38 F. 846 (C.C.S.D.N.Y. 1889).....9

Grand Canyon Trust v. *Tucson Elec. Power Co.*,
391 F.3d 979 (9th Cir. 2004).....3

Haas v. *Leo Feist, Inc.*,
234 F. 105 (S.D.N.Y. 1916).....6, 9, 12, 13

Holmberg v. *Armbrecht*,
327 U.S. 392 (1946).....9, 11

Hutchinson v. *Spanierman*,
190 F.3d 815 (7th Cir. 1999).....16

Ikelionwu v. *United States*,
150 F.3d 233 (2d Cir. 1998) 20

Jackson v. *Axton*,
25 F.3d 884 (9th Cir. 1994).....9

Jacobsen v. *Deseret Book Co.*,
287 F.3d 936 (10th Cir. 2002).....16

Lottie Joplin Thomas Trust v. *Crown Publishers, Inc.*,
456 F. Supp. 531 (S.D.N.Y. 1977).....4

Lyons P'ship, L.P. v. *Morris Costumes, Inc.*,
243 F.3d 789 (4th Cir. 2001).....16, 17, 18

Miller v. *Glenn Miller Prods., Inc.*,
454 F.3d 975 (9th Cir. 2006).....13

Nat'l R.R. Passenger Corp. v. *Morgan*,
536 U.S. 101 (2002).....9

New Era Publ'ns Int'l, ApS v. *Henry Holt & Co.*,
873 F.2d 576 (2d Cir. 1989) 9, 16, 20

NLRB v. *Hendricks Cnty. Rural Elec. Membership Corp.*,
454 U.S. 170 (1981).....15

Peter Letterese & Assocs. v. *World Inst. of Scientology Enters., Int'l*,
533 F.3d 1287 (11th Cir. 2008).....16, 19

Ray Commc'ns, Inc. v. *Clear Channel Commc'ns, Inc.*,
673 F.3d 294 (4th Cir. 2012).....18

Roley v. *New World Pictures, Ltd.*,
19 F.3d 479 (9th Cir. 1994).....21

Russell v. *Todd*,
309 U.S. 280 (1940).....9, 11, 22, 23

Stewart v. *Abend*,
495 U.S. 207 (1990) 2

Thompson v. *Looney's Tavern Prods., Inc.*,
204 F. App'x 844 (11th Cir. 2006) 9

United States v. *Johnston*,
268 U.S. 220 (1925) 15

United States v. *Mack*,
295 U.S. 480 (1935) 10

United States v. *Williams*,
504 U.S. 36 (1992) 23

Wanlass v. *Gen. Elec. Co.*,
148 F.3d 1334 (Fed. Cir. 1998) 9

STATUTES

17 U.S.C. § 502(a) 10

28 U.S.C. § 1254(1) 1

OTHER AUTHORITIES

Melville B. Nimmer & David Nimmer,
Nimmer on Copyright (Lexis 2013) 17

William F. Patry,
Patry on Copyright (West 2013) 17

S. Rep. No. 85-1014 (1957) 10

BRIEF IN OPPOSITION

Respondents Metro-Goldwyn-Mayer Inc.; Metro-Goldwyn-Mayer Studios Inc.; Metro-Goldwyn-Mayer Home Entertainment LLC; Metro-Goldwyn-Mayer Home Entertainment Distribution Corp.; United Artists Corp.; and Twentieth Century Fox Home Entertainment LLC respectfully submit that the petition for a writ of certiorari should be denied.

OPINIONS BELOW

The opinion of the court of appeals (Pet. App. 1a–27a) is reported at 695 F.3d 946. The order of the district court granting summary judgment (Pet. App. 28a–48a) is unpublished.

JURISDICTION

The judgment of the court of appeals was entered on August 29, 2012. Pet. App. 1a. A petition for rehearing en banc was denied on January 30, 2013. *Id.* at 49a–50a. Petitioner invokes the jurisdiction of this Court under 28 U.S.C. § 1254(1).

STATEMENT

In 1991, petitioner learned that she had certain alleged rights under the Copyright Act; but she waited until 1998 to assert those purported rights, and then waited until 2009 to file this copyright infringement suit. The district court found this 18-year delay to have been unreasonable and further found that the delay had caused substantial economic and evidentiary prejudice to respondents. Accordingly, the district court ruled on summary judgment that petitioner's claims are barred by the equitable doctrine of laches. Pet. App. 28a–48a. The court of appeals affirmed. *Id.* at 2a–27a.

1. Petitioner's father collaborated with the boxer Jake LaMotta to create a book and two screenplays about LaMotta's life and boxing career. Pet. App. 3a, 30a. "Together, these works allegedly became the basis for the movie *Raging Bull*, released in 1980." *Id.* at 3a. These works were registered with the Copyright Office (*id.* at 30a), and the registrants assigned the rights in the works to respondents' predecessors, *id.* at 4a. Petitioner "now alleges she is the sole owner of [her father's] interest in the book and the two screenplays." *Ibid.*

In 1990, following this Court's decision in *Stewart* v. *Abend*, 495 U.S. 207 (1990), petitioner "engaged an attorney to advise and assist her regarding her [copyright] renewal rights." Pet. App. 4a. She filed a renewal application in 1991. *Id.* at 4a–5a.

In 1998, petitioner contacted respondents and asserted that their continued exploitation of *Raging Bull* was an infringement of her exclusive rights. Pet. App. 5a, 32a. "Over the course of the next two years, [petitioner] and [respondents] exchanged a series of letters in which she accused [respondents] of infringing her copyrights and [respondents] insisted they were not." *Id.* at 5a. Petitioner "repeatedly threatened to take legal action, but she did not do so at that time. The final letter in this series was dated April 5, 2000." *Id.* at 5a–6a.

In 2009, petitioner initiated this copyright infringement lawsuit. Pet. App. 6a. In response, respondents reiterated that no possible claim for infringement exists because there is no substantial similarity between the works authored by LaMotta and petitioner's father, and the film, *Raging Bull*, and that LaMotta's grant of his rights in the book and screenplays serves as a complete defense to peti-

tioner's claims. Respondents also asserted the defense of laches based on petitioner's 18-year delay in filing suit.

2. The district court granted summary judgment to respondents on their equitable defense of laches. Pet. App. 42a–46a. "'To establish laches, a defendant must establish (1) lack of diligence by the plaintiff, and (2) prejudice to the defendant.'" *Id.* at 42a (quoting *Grand Canyon Trust* v. *Tucson Elec. Power Co.*, 391 F.3d 979, 987 (9th Cir. 2004)).

As to the first element, "'the relevant delay is the period from when the plaintiff knew (or should have known) of the allegedly infringing conduct, until the initiation of the lawsuit in which the defendant seeks to counterpose the laches defense.'" Pet. App. 42a (quoting *Danjaq LLC* v. *Sony Corp.*, 263 F.3d 942, 952 (9th Cir. 2001)). In this respect, the district court noted that "[i]t is essentially undisputed that [petitioner] had knowledge of the legal theories she is asserting in this action in 1990 or 1991 .... However, she testified that she refrained from filing suit at that time because [*Raging Bull*] was not yet profitable." *Id.* at 42a–43a. Given that she did not file suit until 2009, the delay "element of [respondents'] laches defense is easily satisfied." *Id.* at 43a.

The district court then considered whether it was reasonable for petitioner to delay 18 or more years before filing suit. "Here, the only justification offered for the delay is that [petitioner] waited to bring suit to assess [*Raging Bull*'s] profitability." Pet. App. 44a. And the Ninth Circuit's *Danjaq* decision, which "obviously controls," held that such a delay was unreasonable. *Ibid.* The only authority petitioner relied on was a district court decision excusing delay in enforcing rights to Scott Joplin works that had

"'rested in oblivion'" before being "rediscovered" (*ibid.* (quoting *Lottie Joplin Thomas Trust* v. *Crown Publishers, Inc.*, 456 F. Supp. 531, 534 (S.D.N.Y. 1977), *aff'd*, 592 F.2d 651 (2d Cir. 1978)), which the district court found inapposite since *Raging Bull* "is considered to be one of (if not the) best motion pictures of the decade of the 1980's." Pet. App. 44a. The district court thus "conclude[d] that [petitioner's] delay in bringing suit was unreasonable." *Ibid.*

The district court also found that respondents "have shown prejudice resulting from the delay." Pet. App. 44a.

First, "because [respondents] have made significant investments in exploiting the film," the benefit of which petitioner "would potentially be allowed to reap," respondents "undisputably have shown that they have suffered 'expectations-based' prejudice from [petitioner's] delay in bringing suit." Pet. App. 44a–45a.

Second, respondents "have also shown evidentiary prejudice resulting from the long delay." Pet. App. 45a. Petitioner's claim was premised on her disagreement with the dates that certain literary works were created by LaMotta and her father in the 1960s. *Id.* at 31a. The agreement assigning the motion picture rights to respondents' predecessors stated that the book "is original and has not been copied or adapted from any literary, dramatic or other work." *Ibid.* Thus, "in order to show infringement" petitioner was required to show that "contrary to [her father's] representation in the 1976 Agreement, the Book is a derivative work based on the 1963 Screenplay." *Id.* at 34a.

Because petitioner's claim required her to "contradict representations by [her father] and LaMotta

in the 1976 Agreement," the unavailability of several witnesses was clearly prejudicial. Pet. App. 45a. Two of the registered authors had died. *Ibid.* "Also deceased are [petitioner's father's] wife and Vickie LaMotta (Jake's then wife depicted in the film)." *Id.* at 46a. And Jake LaMotta himself, who "suffered myriad blows to his head as a fighter years ago," had become elderly and "no longer recognizes [petitioner], even though he has known her for forty years." *Id.* at 45a–46a. Since most of the key players had become unavailable as witnesses due to the passage of time, petitioner's delay in bringing suit would prejudice respondents in defending against petitioner's claim.

Based on its conclusion that "[t]here are strong equitable arguments against allowing this action to proceed," the district court granted summary judgment to respondents on their laches defense. Pet. App. 46a.

3. The court of appeals unanimously affirmed. Pet. App. 7a–18a.

a. The Ninth Circuit began by reiterating that "it is '[u]ndisputed [petitioner] was aware of her potential claims (as was MGM) since 1991,' when her attorney filed her renewal application for the 1963 screenplay. She did not file her lawsuit until 18 years later, in January 2009." Pet. App. 9a (first alteration in original).

The court of appeals explained that petitioner "contends that she delayed filing the lawsuit until 2009 for several reasons, including (1) her brother's disability and her mother's illnesses that over a period of years required her attention and care; (2) her mother's fear of retaliation from [respondents]; and (3) her family's inability to afford a lawsuit." Pet.

App. 10a. As the court further explained, however, "[t]hese explanations are unsupported by evidence other than [petitioner's] own declaration, and in any event, they are insufficient to demonstrate that the filing delay was reasonable." *Ibid.* "There is no explanation as to why or how [petitioner's] brother's disability and her mother's illnesses had any impact on her failure to file this lawsuit from 1990 until 2009, a period during which she was consulting with attorneys, renewing the copyright and sending letters to [respondents] threatening a lawsuit." *Id.* at 10a–11a. Moreover, petitioner's "excuse that she delayed because her family could not afford a lawsuit, even if true, does not make the delay reasonable." *Id.* at 11a.

"More importantly, the evidence suggests the true cause of [petitioner's] delay was, as she admits, that 'the film hadn't made money' during this time period." Pet. App. 11a. But "'it is inequitable for the owner of a copyright, with full notice of an intended infringement, to stand inactive while the proposed infringer spends large sums of money in its exploitation, and to intervene only when his speculation has proved a success.'" Pet. App. 25a (quoting *Haas* v. *Leo Feist, Inc.*, 234 F. 105, 108 (S.D.N.Y. 1916) (Hand, J.)). As a result, the "district court did not err in finding [petitioner's] delays in notification and in filing suit—19 years, combined—were unreasonable." Pet. App. 11a.

Finally, the court of appeals determined that expectations-based prejudice existed. Pet. App. 12a. Respondents established that since 1991 they had spent "nearly $8.5 million in the United States alone" on marketing, advertising, distributing, and otherwise promoting *Raging Bull*. *Id.* at 13a. Respondents also entered into licensing agreements for

broadcast and future distribution rights. The evidence established that had petitioner "filed suit in 1991 (or 1998), [respondents] would have had an opportunity to litigate this claim prior to making these various and significant investments." *Id.* at 13a–14a.

As the court of appeals explained, respondents "continued to make business decisions and enter into contracts relying upon their belief that they were the rightful owners of the right to exploit *Raging Bull*. To the extent [respondents] should be proved wrong in their legal assumption through this litigation, the anticipated profits from these investments and licensing agreements—the expectation of which underlay their business decision making—would wind up in [petitioner's] pocket. That is the essence of expectations-based prejudice." Pet. App. 17a–18a. Having affirmed the district court's decision on expectations-based prejudice, the court of appeals did not address, or disturb, the district court's finding of evidentiary prejudice caused by petitioner's unreasonable delay. *Id.* at 12a.

b. Judge Fletcher wrote a concurring opinion explaining that the panel had "faithfully applie[d] our circuit's law of laches in copyright cases." Pet. App. 23a. He suggested that this case law should be "revisit[ed]" to "recogni[ze] ... the distinction between equitable estoppel and laches." *Id.* at 27a. Presumably because this distinction was of only academic interest in this case (which warranted dismissal under *any* equitable rubric), Judge Fletcher voted to deny the petition for en banc rehearing. *Id.* at 50a.

ARGUMENT

The district court had ample discretion to conclude that the equitable doctrine of laches bars this

copyright infringement suit where petitioner unreasonably delayed 18 years in bringing suit, causing both economic and evidentiary prejudice to respondents. The Ninth Circuit's affirmance is not only correct, but also unremarkable; indeed, respondents submit that no appellate court would find an abuse of discretion on this record. Petitioner's effort to conjure up a circuit split mischaracterizes the decisions below (which did not apply laches "without restriction"), and fails in any event because the courts of appeals are not divided on the legal standard for laches. On the contrary, every circuit follows this Court's decision in *Costello* v. *United States*, 365 U.S. 265 (1961). The differing *outcomes* to which petitioner points merely reflect the reality that laches is a defense in *equity*, and the discretionary decisions of district courts applying that equitable doctrine will vary based on the facts and circumstances of each case. That is only to be expected, since "traditional equitable principles do not permit ... broad classifications." *eBay Inc.* v. *MercExchange, L.L.C.*, 547 U.S. 388, 393 (2006). Nothing about this case warrants this Court's review.

I. THE DECISION BELOW IS CORRECT

Petitioner's 18-year delay in bringing this action was egregious and entirely unjustifiable, and resulted in substantial (and unrebutted) prejudice to respondents. Laches is an established equitable defense to copyright actions, and the district court's use of its equitable discretion was thoroughly supported by the undisputed facts of this case. The Ninth Circuit found no abuse of discretion because there was none.

A. Laches May Bar a Copyright Claim Where Unreasonable Delay Causes Prejudice

Laches is an established equitable defense that bars a claim where (1) the claimant has waited unreasonably long to assert the claim, and (2) the defendant is prejudiced by the delay. *Costello*, 365 U.S. at 282. This Court has held the laches doctrine applicable to a wide variety of federal statutory claims. *See, e.g., Nat'l R.R. Passenger Corp.* v. *Morgan*, 536 U.S. 101, 121–22 (2002) (Title VII); *Russell* v. *Todd*, 309 U.S. 280, 290 (1940) (Federal Farm Loan Act).

The doctrine of laches has long been applied in copyright cases. *See Haas* v. *Leo Feist, Inc.*, 234 F. 105, 108 (S.D.N.Y. 1916) (Hand, J.); *Gilmore* v. *Anderson*, 38 F. 846, 848 (C.C.S.D.N.Y. 1889); *see also, e.g., Thompson* v. *Looney's Tavern Prods., Inc.*, 204 F. App'x 844, 853 (11th Cir. 2006); *Jackson* v. *Axton*, 25 F.3d 884, 887–88 (9th Cir. 1994); *New Era Publ'ns Int'l, ApS* v. *Henry Holt & Co.*, 873 F.2d 576, 584–85 (2d Cir. 1989). It has also been applied in analogous areas of intellectual property protection such as patents and trademarks. *See, e.g., Wanlass* v. *Gen. Elec. Co.*, 148 F.3d 1334, 1336 (Fed. Cir. 1998); *E-Systems, Inc.* v. *Monitek, Inc.*, 720 F.2d 604, 607 (9th Cir. 1983).

As an equitable doctrine, laches depends on the facts and circumstances of each particular case and is not subject to bright-line rules. Rather, "the existence of laches is a question primarily addressed to the discretion of the trial court." *Gardner* v. *Pan. R. Co.*, 342 U.S. 29, 30 (1951) (per curiam); *see also Holmberg* v. *Armbrecht*, 327 U.S. 392, 396 (1946) ("Equity eschews mechanical rules; it depends on flexibility"). Accordingly, as this Court held in *eBay*,

involving a different equitable doctrine (injunctive relief), courts "may" exercise their discretion "on such terms as it may deem reasonable to prevent or restrain infringement of a copyright." 547 U.S. at 393 (quoting 17 U.S.C. § 502(a)).

The laches doctrine "should not be determined merely by a reference to and a mechanical application of the statute of limitations." *Gardner*, 342 U.S. at 31. Indeed, the Congress that enacted the Copyright Act's statute of limitations understood that federal courts would continue to apply equitable defenses after the statute was enacted. *See* S. Rep. No. 85-1014, at 2–3 (1957), *reprinted in* 1957 U.S.C.C.A.N. 1961, 1963 (finding it "unnecessary" to "specifically enumerate various equitable situations on which the statute of limitations is generally suspended, ... inasmuch as the 'Federal district courts, generally, recognize these equitable defenses anyway'" and concluding that "specific enumeration of certain circumstances or conditions might result in unfairness to some persons") (citation omitted). Thus, petitioner's suggestion that the application of laches impinges on congressional intent, or even infringes the separation of powers (Pet. 26–29), is off the mark.

The cases dredged up by petitioner for the supposed proposition that laches does not apply where there is a statute of limitations (Pet. 27) are inapposite. Those cases deal with the intersection between laches and *sovereignty*, and do not limit the application of equitable doctrines in cases, such as this one, where sovereign interests are not implicated. For example, one case said that laches does not apply in claims by the United States (*United States* v. *Mack*, 295 U.S. 480, 489 (1935)); but petitioner is not the government. Another said that laches does not apply in claims involving Indian tribes (*Cnty. of Oneida* v.

Oneida Indian Nation, 470 U.S. 226, 244 n.16 (1985)); but petitioner is not a Native American. Others urge caution where federal courts apply equitable doctrines in claims governed by *state* statutes of limitations (*Holmberg*, 327 U.S. at 395; *Russell*, 309 U.S. at 287); but only federal law is at issue in this case. Petitioner cites no case from this Court, and respondents are aware of none, that holds that the mere existence of a federal statute of limitations deprives federal courts of their centuries-old equitable power, and obligation, to determine whether laches bars a stale claim.

B. Petitioner's Unreasonable Delay in Filing Suit Caused Prejudice to Respondents

The district court's findings that petitioner unreasonably delayed in filing suit and that respondents were prejudiced thereby are well-founded and support the court's conclusion that petitioner's claim was barred by laches. Indeed, petitioner *does not contest* those findings. And, in light of those findings, it cannot be seriously contended that the district court abused its discretion in invoking the laches doctrine here.

1. Petitioner delayed 18 years before suing respondents for infringement of her alleged rights in *Raging Bull*. The court of appeals explained that "it is '[u]ndisputed [petitioner] was aware of her potential claim (as [were respondents]) since 1991,' when her attorney filed her renewal application for the 1963 screenplay [yet] [petitioner] did not file her lawsuit until 18 years later, in January 2009." Pet. App. 9a (alteration in original).

Petitioner conceded that she abstained from asserting a claim because "'the film was deeply in debt

and in the red and would probably never recoup.'" Pet. App. 10a (citation omitted). The court of appeals considered this delay unreasonable, because petitioner's purpose was "'to capitalize on the value of the alleged infringer's labor, by determining whether the infringing conduct will be profitable.'" *Id.* at 9a (quoting *Danjaq LLC* v. *Sony Corp.*, 263 F.3d 942, 954 (9th Cir. 2001)). A person claiming rights in intellectual property may not sit back and wait for others to make that property profitable before asserting those rights.

Even after September 1998, "when [petitioner]'s attorney sent the first of a series of letters to [respondents] giving 'formal notice' of her claims and threatening litigation," petitioner delayed an additional 11 years before filing suit. Pet. App. 10a. The court of appeals found no evidence in the record to support petitioner's contention that her brother's disability, a fear of retaliation by defendants, or lack of financial wherewithal had prevented her timely assertion of a claim. *Id.* at 10a–11a. (Although petitioner now asserts additional excuses for her delay, *see* Pet. 10 & n.1, these were not presented to the courts below and thus cannot even be considered in this Court, much less establish any error below.)

As the court of appeals concluded, "the evidence suggests the true cause of Petrella's delay was, as she admits, that 'the film hadn't made money' during this time period." Pet. App. 11a. This is an "obvious" case where laches should bar relief. *Haas*, 234 F. at 108.

2. Petitioner's unexcused and unreasonable 18-year delay in filing suit seriously prejudiced respondents both because respondents continued to promote the film and because the unavailability of

significant witnesses in the case would make fair adjudication of petitioner's claims impossible.

a. Prejudice from "expectations" supports a laches defense if a defendant can demonstrate that "'during the delay, it invested money to expand its business or entered into business transactions based on [its] presumed rights.'" Pet. App. 12a (quoting *Miller* v. *Glenn Miller Prods., Inc.*, 454 F.3d 975, 999 (9th Cir. 2006) (per curiam)). Here, respondents expended nearly $8.5 million since 1991 in marketing, distributing, and otherwise promoting the film. Pet. App. 12a–13a. These investments, were petitioner to prevail, "would wind up in [her] pocket." *Id.* at 17a.

Judge Learned Hand observed long ago that "it is inequitable for the owner of a copyright, with full notice of an intended infringement, to stand inactive while the proposed infringer spends large sums of money in its exploitation, and to intervene only when his speculation has proved a success." *Haas*, 234 F. at 108. "Delay under such circumstances," he explained, "allows the owner to speculate without risk with the other's money; he cannot possibly lose, and he may win." *Ibid.* He could as well have been describing petitioner's opportunistic behavior in this case.

b. If petitioner's case were allowed to proceed, respondents would also suffer evidentiary prejudice because the passage of time attributable to petitioner's delay diminished the evidence available for respondents to defend themselves. Petitioner's claim was based in part on her assertions that contradicted statements made by her father, a writer named Joseph Carter, and Jake LaMotta in a 1976 agreement. Carter and petitioner's father are deceased and LaMotta is now over 92 years old. The elderly

LaMotta was, by the time of the summary judgment proceedings, handicapped to the point that he did not even recognize petitioner (whom he had known for 40 years). Pet. App. 46a. There was no evidence that he could competently testify to the events surrounding the creation of the works. Further, several other potential witnesses passed away during the period of petitioner's unreasonable delay. *Ibid.*

Petitioner's claim of copyright infringement would require her to dispute or disprove representations regarding creation of the literary works at issue made by the co-authors of those works, including her own late father. *See* Pet. App. 34a. Respondents, of course, would have the right to contest that showing, because if the co-authors' representations were correct, respondents retain full rights to exploit the works pursuant to the assignment agreements. *Id.* at 32a. Yet the passage of time, and the passing of witnesses to the events in question, would unfairly preclude or hamper respondents from defending themselves against petitioner's stale claim. *Id.* at 45a–46a.

3. Petitioner does not dispute *any* of these findings, which are amply supported by the summary judgment record. That in itself is sufficient reason to deny the petition for a writ of certiorari: Applying abuse-of-discretion review to these undisputed facts, the Court could only affirm the dismissal.

Where, as here, a claimant waits 18 years to file suit and this unreasonable delay inflicts actual economic and evidentiary prejudice on the defendants, a district court has ample discretion to bar the claim under the doctrine of laches, as the Ninth Circuit correctly concluded. There is no reason for this Court to review that fact-specific, and indisputably

correct, conclusion. *See NLRB* v. *Hendricks Cnty. Rural Elec. Membership Corp.*, 454 U.S. 170, 176 n.8 (1981) (question that is "primarily ... a question of fact" "does not merit Court review"); *United States* v. *Johnston*, 268 U.S. 220, 227 (1925) ("We do not grant a certiorari to review evidence and discuss specific facts").

II. There Is No Conflict in the Circuits That Warrants Review

Different courts faced with different facts exercise their equitable discretion differently. As a necessary (and indeed desirable) result of that reality, outcomes in varying cases will vary—some claims will be barred by laches, while others will not. Such is the case among courts on the question whether a particular copyright infringement claim is barred by laches. But there is no conflict among the circuits on the underlying legal standard, and therefore no need for this Court's review.

A. The Courts of Appeals Are Not Divided on the Elements of the Equitable Laches Defense

There is no inter-circuit conflict on the standard for when laches bars a claim for copyright infringement. The standard set forth in this Court's *Costello* decision—unreasonable delay resulting in prejudice—is followed by every circuit. And none of the circuits preclude laches as a defense to a claim such as petitioner's that accrued 18 years before the suit was filed, where the delay caused actual prejudice to the defendant.

Petitioner acknowledges throughout her brief that laches applies in copyright cases across the circuits. Indeed, at least five Circuits have expressly stated that laches may bar a copyright infringement

claim. *See Danjaq*, 263 F.3d at 963; *New Era*, 873 F.2d at 584–85; *Chirco* v. *Crosswinds Cmtys., Inc.*, 474 F.3d 227, 235 (6th Cir. 2007); *Jacobsen* v. *Deseret Book Co.*, 287 F.3d 936, 951 (10th Cir. 2002); *Peter Letterese & Assocs.* v. *World Inst. of Scientology Enters., Int'l*, 533 F.3d 1287, 1320 (11th Cir. 2008). Petitioner plucks language from those decisions describing the types of cases in which courts have exercised their equitable discretion, but she acknowledges that courts *have* such discretion—the discretion that was exercised by the district court in this case. That alone is enough to doom her bid for certiorari review.

Some of the decisions petitioner cites did not permit the defense of laches in particular cases, but that is only because delay or prejudice in each case was mild or nonexistent. *See, e.g.*, *Chirco*, 474 F.3d at 235 (18-month delay); *Jacobsen*, 287 F.3d at 951 (delay of less than three years); *Lyons P'ship, L.P.* v. *Morris Costumes, Inc.*, 243 F.3d 789, 797 (4th Cir. 2001) (four-year delay causing no prejudice). None of the cases rejecting a laches defense involved delay anywhere near the 18-year period at issue in this case, or findings of both economic and evidentiary prejudice. In more analogous cases, courts in these same circuits have barred copyright infringement claims as a result of laches. *See, e.g.*, *Hutchinson* v. *Spanierman*, 190 F.3d 815, 823 (7th Cir. 1999) (laches applied to delay of 12 years); *New Era*, 873 F.2d at 584–85 (laches applied to delay of only two years).

Petitioner wildly overstates her case when she says that the courts of appeals are "intractably divided" over the application of laches in copyright cases. Pet. 13. She tries to manufacture this circuit conflict by arbitrarily assigning individual decisions to categories of her own device, and then concluding

that the categories are in tension with one another. The truth is much simpler: Individual cases involving a fact-specific equitable doctrine reach differing results based on varying circumstances.

Petitioner maintains, however, that "[t]he circuit conflict is openly acknowledged by leading commentators, other courts, and Judge Fletcher's concurrence below." Pet. 14. With respect to commentators, petitioner cites the Nimmer and Patry treatises. *Id.* at 25. The former, however, states that "laches has an illustrious pedigree across the circuits as a defense to a charge of copyright infringement." 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 12.06[A] (Lexis 2013). The only contrary decision Nimmer cites is *Lyons*, which is discussed below. *Ibid.* The latter also cites only *Lyons*, without addressing the "continuing infringement" doctrine (also addressed below); and in any event this commentator likewise acknowledges all the decisions applying laches to copyright claims. 6 William F. Patry, *Patry on Copyright* § 20:55 n.1 (West 2013). As for courts, although Judge Fletcher said in his concurrence that "[t]here is a severe circuit split on the availability of a laches defense in copyright cases" (Pet. App. 23a), three of the four cases offered in support of that statement (*Peter Letterese*, *New Era*, and *Chirco*) expressly recognize the applicability of laches in copyright cases. The fourth is *Lyons*, to which we now turn.

Petitioner's claim of a *legal* conflict ultimately boils down to her claim that the Fourth Circuit's decision in *Lyons* "preclude[s]" the laches defense in copyright cases, whereas every other court of appeals has recognized the applicability of laches in such cases. Pet. 16; *see also* Pet. App. 23a (Fletcher, J., concurring) ("In the Fourth Circuit, there is no lach-

es at all"). Petitioner has read far too much into the *Lyons* decision.

In *Lyons*, the Fourth Circuit declined to apply laches to claims that were "timely filed under an express statute of limitations"; although the plaintiff's claims in that case, as in this one, were only timely as a result of the "continuing infringement" doctrine. 243 F.3d at 798; *see infra* Part III.1. Without that judicially created doctrine, the claims of the *Lyons* plaintiff and petitioner would both indisputably be barred by the *statute* of limitations.

To the extent *Lyons* can be read as foreclosing laches in *all* copyright cases, it is important to note that *Lyons* predates this Court's decision in *eBay*, which rejected, as it "consistently" had before, an "invitation[] to replace traditional equitable considerations with a [bright-line] rule." 547 U.S. at 392. This is because "traditional equitable principles do not permit such broad classifications." *Id.* at 393. A "broad classification"—such as the suggestion that laches never applies in copyright actions—would not be permissible after *eBay*. Indeed, subsequent Fourth Circuit decisions have applied laches in analogous situations. *See, e.g., Ray Commc'ns, Inc.* v. *Clear Channel Commc'ns, Inc.*, 673 F.3d 294, 305 (4th Cir. 2012) (applying the *Costello* standard in evaluating defense of laches in trademark case). There is every reason to believe that the Fourth Circuit would apply the same approach to copyright cases today. *Cf.* Pet. 23, 29 (noting that courts have looked to trademark cases in applying the laches defense in copyright cases). Thus, the Fourth Circuit's approach to this equitable defense is entirely consistent with that taken in every other circuit.

B. Varying Outcomes in Individual Cases Reflect Courts' Exercise of Equitable Discretion

Petitioner does not meaningfully dispute that the legal standard across the circuits is the same; yet, she contends with no analysis of the undisputed factual record in this case that her claim would have "probably" or "likely" been allowed to proceed in other circuits. Pet. 17, 18. That is pure speculation and it is, quite simply, preposterous. Respondents submit that there is no appellate court in the land (including this Court) that would find an abuse of discretion in dismissing petitioner's claim under the laches doctrine based on the undisputed factual findings in this case, including 18 years of unreasonable delay causing both economic and evidentiary prejudice to respondents. Petitioner's comparison of the Ninth Circuit's decision in this case to decisions in other circuits shows only that courts faced with different facts exercise their equitable discretion differently. That is not a circuit conflict that warrants this Court's review.

For example, petitioner argues that in the Eleventh Circuit, laches bars copyright actions "'[o]nly in the most extraordinary circumstances.'" Pet. 16 (quoting *Peter Letterese*, 533 F.3d at 1320). But that statement simply described the scenario in which laches applies. The court "[did] not, of course, otherwise restrict the power of a court, in its discretion, to fashion appropriate remedial relief." 533 F.3d at 1323. And, of course, this case presents precisely the kind of "extraordinary circumstances"—an 18-year delay causing both economic and evidentiary prejudice—for which the laches doctrine is designed to protect defendants.

From the Second Circuit, petitioner quotes *Ikelionwu* v. *United States*, 150 F.3d 233 (2d Cir. 1998), which is not even a copyright case, and which in any event applied the exact same standard as the Ninth Circuit. *Id.* at 237 ("A party asserting the defense of laches must establish that: (1) the plaintiff knew of the defendant's misconduct; (2) the plaintiff inexcusably delayed in taking action; and (3) the defendant was prejudiced by the delay"). The court said in *Ikelionwu* that laches applied on "rare[] ... occasion[s]." *Id.* at 238. But that does not indicate any difference from the Ninth Circuit on the legal standard. Indeed, the prejudice from a two-year delay in *New Era* was sufficient to bar the plaintiff's claims. 873 F.2d at 577, 584. The 18-year delay here is an *a fortiori* case of rarity.

The decisions reflect the simple fact that the question whether laches applies depends on the facts of each individual case. Petitioner concedes as much. Pet. 14 ("Laches requires case-specific balancing of the reasons for a delay and the prejudice caused by it"). Although petitioner paints this as a vice rather than a virtue (*ibid.*), her position is at odds with this Court's, which has consistently rejected "mechanical application of the statute of limitations" with regard to laches (*Gardner*, 342 U.S. at 31) and "broad classifications" on the use of equitable discretion more generally. *eBay*, 547 U.S. at 393. The appellate decisions cited by petitioner reflect no more than the varying outcomes that will always result from abuse-of-discretion review of district court's application of flexible equitable doctrines.

Contrary to petitioner's suggestion (Pet. 31), the varying outcomes in individual cases do not create a risk of "forum shopping." Every circuit recognizes that laches will bar a claim in appropriate cases; a

claimant who sleeps on her rights, as petitioner did, is thus subject to dismissal in every jurisdiction.

III. This Case Is a Poor Vehicle for the Court's Review

1. The "question presented" in the petition—"[w]hether the nonstatutory defense of laches is available without restriction to bar all remedies for civil copyright claims filed within the three-year statute of limitations" (Pet. i)—is not actually presented on the facts of this case. The courts below did not apply laches "without restriction"; rather, they applied the rigorous restrictions of unreasonable delay and resulting prejudice that this Court has always required in the laches context. *Costello*, 365 U.S. at 282. Moreover, this case, filed more than 18 years after petitioner was on actual notice of her alleged rights in the asserted works, was not filed "within" the three-year statute of limitations.

The petition all but ignores the fact that petitioner's claim began accruing 18 years before she filed suit. This is therefore not a case, as petitioner claims, where an otherwise timely suit is barred as a result of laches. Rather, petitioner was required to first seek *relief* from the statute of limitations, which she did under the continuing infringement doctrine. (Petitioner misleadingly calls this the "separate accrual rule" but admits that it is a judicial engraftment onto the statute of limitations. *See* Pet. 6.) As articulated in the lower courts, that doctrine allows a litigant to recover for violations within the preceding three years even if the infringement was discovered long before the limitations period. *See Roley* v. *New World Pictures, Ltd.*, 19 F.3d 479, 481 (9th Cir. 1994).

Because petitioner failed to file suit within three years after her claim accrued, this is not a case in which the laches doctrine was deployed to bar a case actually brought *within* the statute of limitations, without the aid of the continuing infringement rule; indeed, petitioner is unable to cite any such case from any circuit. Thus, while Judge Fletcher commented in his concurrence that the laches doctrine could fail "to provide appropriate protection to innocent copyright owners who have brought infringement suits within the statute of limitations" (Pet. App. 27a), petitioner is not such a claimant.

The cases that have invoked laches, like the decisions below, all involved suits filed long after the initial three-year period expired and in which the claimant's delay worked to the defendants' prejudice. It is in precisely such cases that equity has a continuing role to play. Indeed, so long as courts allow copyright infringement claims to be filed after the statutory three-year period, it would be inequitable *not* to allow courts to determine whether laches applies. And it cannot offend the separation of powers for a court to apply a traditional equity doctrine (laches) to police abuses of a judicially created extension (continuing infringement) of the statutory limitations period.

2. The evidentiary prejudice from petitioner's unreasonable delay is an independent ground for affirmance of the district court's decision that the court of appeals did not address and petitioner does not challenge.

The doctrine of laches is intended to avoid unjust, prejudicial scenarios such as the present suit, in which the unreasonable delay of a litigant has resulted in a critical loss of evidence. *See, e.g., Russell*,

309 U.S. at 287. The death of key witnesses is the starkest example of evidentiary prejudice imaginable, and would warrant affirmance if laches is available at all in copyright cases, as every court to have squarely considered the question has concluded it is. Petitioner's claim rests on her challenge to representations of originality made (by her father) when he and the other co-authors of those works assigned the motion picture rights to respondents' predecessors; yet while she delayed in bringing suit, key witnesses to those events have passed away or become incapacitated. Pet. App. 45a–46a. It would be inequitable to handcuff respondents with that evidentiary gap.

3. The distinction some courts have drawn between allowing laches to bar a damages claim but not injunctive relief (Pet. 17) was neither raised below nor passed upon by the court of appeals. Similarly, petitioner's contention that the Ninth Circuit employs a "presumption" in favor of laches in certain cases (*id.* at 23) is irrelevant since no such presumption was applied in *this* case. These issues are therefore not properly presented for this Court's review. *See, e.g., United States* v. *Williams*, 504 U.S. 36, 41 (1992) (certiorari inappropriate "when 'the question presented was not pressed or passed upon below'") (citation omitted).

* * *

The principle that equity aids only the vigilant and not those who sleep on their rights—*vigilantibus non dormientibus æquitas subvenit*—is both ancient and important. A claimant who sits on the sidelines, waiting for some contingent event (such as a film's profitability) at the expense and to the detriment of the defendants, at some point forfeits her entitlement to ask a federal court to come to her aid. In

this case, petitioner waited 18 years during which time key witnesses died or otherwise became unavailable and respondents invested substantial sums in exploiting *Raging Bull* pursuant to assignment agreements that gave them the express right to do so. The district court found, based on undisputed facts, that petitioner's delay in filing suit was unreasonable and caused both economic and evidentiary prejudice to respondents, and thus held that allowing her belated suit to proceed would contravene principles of equity. In affirming this ruling, the Ninth Circuit found no abuse of discretion. Nothing about the decisions below warrants this Court's review.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted.

JONATHAN ZAVIN
LOEB & LOEB LLP
345 Park Avenue
New York, New York 10154
(212) 407-4000

DAVID GROSSMAN
LOEB & LOEB LLP
10100 Santa Monica Boulevard
Suite 2200
Los Angeles, California 90067
(310) 282-2000

MARK A. PERRY
Counsel of Record
BLAINE H. EVANSON
GIBSON, DUNN & CRUTCHER LLP
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036
(202) 955-8500
mperry@gibsondunn.com

August 2, 2013

REPLY BRIEF

RECORD
AND
BRIEFS

No. 12-1315

Supreme Court, U.S.
FILED
AUG 20 2013
OFFICE OF THE CLERK

In The
Supreme Court of the United States

PAULA PETRELLA,

Petitioner,

v.

METRO-GOLDWYN-MAYER, INC., ET AL.,

Respondents.

On Petition For A Writ Of Certiorari To The U.S. Court Of Appeals For The Ninth Circuit

PETITIONER'S REPLY BRIEF

GLEN L. KULIK
KULIK GOTTESMAN & SIEGEL LLP
15303 Ventura Boulevard
Suite 1400
Sherman Oaks, CA 91403
(310) 557-9200
gkulik@kgslaw.com

STEPHANOS BIBAS
Counsel of Record
JAMES A. FELDMAN
NANCY BREGSTEIN GORDON
UNIVERSITY OF PENNSYLVANIA LAW SCHOOL
SUPREME COURT CLINIC
3501 Sansom Street
Philadelphia, PA 19104
(215) 746-2297
sbibas@law.upenn.edu

Counsel for Petitioner Paula Petrella

COCKLE LAW BRIEF PRINTING CO. (800) 225-6964
OR CALL COLLECT (402) 342-2831

Library of Congress
Law Library

TABLE OF CONTENTS

Page

Table of Contents i

Table of Authorities ii

Introduction 1

I. Circuits Are Split 3-2-1 over Whether Laches Is Available to Bar Copyright-Infringement Suits 2

II. There Are No Vehicle Problems 9

III. The Ninth Circuit Erred in Superimposing Laches upon the Express Statute of Limitations for Copyright Infringement 11

Conclusion 13

TABLE OF AUTHORITIES

Page

CASES

Advance Magazine Publishers Inc. v. *Leach*, 466 F. Supp. 2d 628 (D. Md. 2006) 4

Chirco v. *Crosswinds Cmties., Inc.*, 474 F.3d 227 (6th Cir. 2007) 4, 7

Costello v. *United States*, 365 U.S. 265 (1961) 7

Cross v. *Allen*, 141 U.S. 528 (1891) 12

eBay Inc. v. *MercExchange, L.L.C.*, 547 U.S. 388 (2006) 3, 4

Fox v. *Riverdeep, Inc.*, No. 07-13622, 2008 WL 5244297 (E.D. Mich. Dec. 16, 2008) 3

Galliher v. *Cadwell*, 145 U.S. 368 (1892) 6

Gardner v. *Pan. R.R. Co.*, 342 U.S. 29 (1951) 12

Haas v. *Leo Feist Inc.*, 234 F. 105 (S.D.N.Y. 1916) 13

Havens Realty Corp. v. *Coleman*, 455 U.S. 363 (1982) 9

Holmberg v. *Armbrecht*, 327 U.S. 392 (1946) 12

Ikelionwu v. *United States*, 150 F.3d 233 (2d Cir. 1998) 6

Ivani Contracting Corp. v. *City of New York*, 103 F.3d 257 (2d Cir. 1997) 6

Jacobsen v. *Deseret Book Co.*, 287 F.3d 936 (10th Cir. 2002) 7

Lyons P'ship v. *Morris Costumes, Inc.*, 243 F.3d 789 (4th Cir. 2001) 2, 3

TABLE OF AUTHORITIES – Continued

Page

New Era Publ'ns Int'l v. *Henry Holt & Co.*, 873 F.2d 576 (2d Cir.), *reh'g denied*, 884 F.2d 659 (2d Cir. 1989) 6

Peter Letterese & Assocs., Inc. v. *World Inst. of Scientology Enters., Int'l*, 533 F.3d 1287 (11th Cir.), *reh'g denied*, 307 F. App'x 438 (11th Cir. 2008) 4, 5

Russell v. *Todd*, 309 U.S. 28 (1940) 12

Sater Design Collection, Inc. v. *Waccamaw Constr., Inc.*, No. 08-4133, 2011 WL 666146 (D.S.C. Feb. 14, 2011) 4

United States v. *Mack*, 295 U.S. 480 (1935) 12

Wehrman v. *Conklin*, 155 U.S. 314 (1894) 12

Yee v. *City of Escondido*, 503 U.S. 519 (1992) 11

STATUTES

Copyright Act of 1976,
Pub. L. No. 94-553, 90 Stat. 2541 4
17 U.S.C. §507(b) (2006) 4

Fair Housing Act,
Title VIII of the Civil Rights Act of 1968,
Pub. L. No. 90-284, 82 Stat. 73 10

Lanham Trademark Act of 1946,
15 U.S.C. §1051 *et seq.* 4
15 U.S.C. §1115(b)(9) (2006) 4

Patent Act of 1952, 35 U.S.C. §1 *et seq.* 3
35 U.S.C. §283 (2006) 4

TABLE OF AUTHORITIES – Continued

Page

OTHER AUTHORITIES

Emily Calwell, *Can the Application of Laches Violate the Separation of Powers?*, 44 VAL. U. L. REV. 469 (2010) 8

Vikas Didwania, *The Defense of Laches in Copyright Infringement Claims*, 75 U. CHI. L. REV. 1227 (2008) 8

Elizabeth Kim, *To Bar or Not to Bar?*, 43 U.C. DAVIS L. REV. 1709 (2010) 8

Ryan Locke, *Resetting the Doomsday Clock*, 6 BUFF. INTELL. PROP. L. J. 133 (2009) 8

Misty Nall, *(In)Equity in Copyright Law*, 35 N. KY. L. REV. 325 (2008) 8

3 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT §12.06[A] (Matthew Bender & Co. 2012) 8, 9

6 WILLIAM F. PATRY, PATRY ON COPYRIGHT §20.55 (West 2012) 8, 9

Dylan Ruga, *The Role of Laches in Closing the Door on Copyright Infringement Claims*, 29 NOVA L. REV. 663 (2005) 8

S. CT. R. 14.1(a) 11

S. REP. NO. 85-1014 (1957), *reprinted in* 1957 U.S.C.C.A.N. 1961 11

1 JOSEPH STORY, COMMENTARIES ON EQUITY JURISPRUDENCE (W.H. Lyon, Jr., ed., 14th ed. 1918) 11, 12

Jason Swartz, *When the Door Closes Early*, 76 U. CIN. L. REV. 1457 (2008) 8

INTRODUCTION

Respondents focus on the wrong issue and the wrong court below. As the petition explains, the circuits are divided 3-2-1 over whether laches may bar copyright-infringement suits filed within the statute of limitations: Three circuits hold that, as a matter of law, laches cannot entirely bar such suits. Two others erect strong presumptions against laches, limiting it to exceptional cases. But one, the Ninth Circuit below, does not disfavor laches. On the contrary, it presumes that laches is available to bar continuing-infringement cases such as this one. The circuit conflict is entrenched, acknowledged, vitally important, and squarely presented.

Respondents largely skip over this question of law, assume that laches is available, and ignore any presumption against it. Instead, they squabble over a factbound question: was the test for laches that would ordinarily apply (absent a statute of limitations) satisfied on these facts? Opp. 7-15. Respondents dwell at length on the *district* court, whether it abused its discretion, and how it ruled on an evidentiary-prejudice point that was so controverted that the Ninth Circuit expressly declined to reach or resolve it. Opp. 1, 3-5, 7, 11-15, 19-24; Pet. App. 12a.

The district court's ruling, however, matters only because the Ninth Circuit held that laches is available to bar copyright claims brought within the statute of limitations, exactly as it may bar other claims that are *not* governed by statutes of limitations. The

petition challenges that legal holding, rather than the (disputed) factual questions respondents address. The Ninth Circuit's holding, which is dispositive here, conflicts with decisions of five other circuits. Further review is warranted.

I. Circuits Are Split 3-2-1 over Whether Laches Is Available to Bar Copyright-Infringement Suits

The federal courts of appeals apply starkly different legal tests governing whether laches may bar copyright-infringement claims. The decision below epitomizes "a dramatic pro-defendant tilt in copyright litigation within the Ninth Circuit." Amicus Br. 17. No other circuit would apply laches to bar petitioner's claim entirely, as did the Ninth Circuit. The entrenched split over this important issue of law is recognized by courts and commentators alike.

1. The Fourth Circuit has expressly held in a copyright-infringement case: "Separation of powers principles thus preclude us from applying the judicially created doctrine of laches to bar a federal statutory claim that has been timely filed under an express statute of limitations. . . . regardless of the remedy sought." *Lyons P'ship* v. *Morris Costumes, Inc.*, 243 F.3d 789, 798 (4th Cir. 2001).

As respondents concede, "*Lyons* . . . declined to apply laches to claims that were 'timely filed under an express statute of limitations.'" Opp. 18 (quoting 243 F.3d at 798). As respondents also concede (*id.*),

both *Lyons* and this case involved continuing infringements. That fact underscores the breadth of the circuit split. Aside from the Fourth Circuit, courts in the Second, Sixth, and Eleventh Circuits have also rejected laches claims even for continuing-infringement suits filed more than three years after the initial infringement, just as in this case. Pet. 17-18 & n.3; *Fox* v. *Riverdeep, Inc.*, No. 07-13622, 2008 WL 5244297, at *5-*7 (E.D. Mich. Dec. 16, 2008). By contrast, in the Ninth Circuit, continuing infringements trigger a presumption that laches is available. Pet. 23; Pet. App. 8a.

Respondents claim that *Lyons* turned on the absence of prejudice and shorter period of delay. Opp. 16. But the Fourth Circuit expressly declined to rest on narrow grounds, instead ruling expansively "for more fundamental reasons": "laches . . . applies only in equity to bar equitable actions, not at law to bar legal actions," particularly copyright suits governed by "the legislatively prescribed statute of limitations." *Lyons*, 243 F.3d at 797.

Respondents also hypothesize that *Lyons* is no longer good law after *eBay Inc.* v. *MercExchange, L.L.C.*, 547 U.S. 388, 392-93 (2006). Opp. 18. But *eBay* involved a different issue (the test for awarding a permanent injunction) under a different statute (the Patent Act). 547 U.S. at 390. As this Court stressed, "[n]othing in the Patent Act indicates that Congress intended such a departure [from equity practice]. To the contrary, the Patent Act expressly provides that injunctions 'may' issue 'in accordance

with the principles of equity.'" *Id.* at 391-92 (quoting 35 U.S.C. §283). The Copyright Act's statute of limitations contains no such language incorporating equitable principles.

We can find no case that has considered *eBay* relevant to the very different issue of laches under the Copyright Act, and respondents cite none. After *eBay*, other federal courts still invoke *Lyons'* holding, and district courts within the Fourth Circuit still follow it as binding precedent. *E.g.*, *Peter Letterese & Assocs., Inc.* v. *World Inst. of Scientology Enters., Int'l*, 533 F.3d 1287, 1320-21 (11th Cir.), *reh'g denied*, 307 F. App'x 438 (11th Cir. 2008); *Chirco* v. *Crosswinds Cmties., Inc.*, 474 F.3d 227, 231-32 (6th Cir. 2007); *Sater Design Collection, Inc.* v. *Waccamaw Constr., Inc.*, No. 08-4133, 2011 WL 666146, at *9 (D.S.C. Feb. 14, 2011) (relying on *Lyons* in holding, as a matter of law, that laches "cannot be applied to shorten the statutory [limitations] period" for copyright infringement); *Advance Magazine Publishers Inc.* v. *Leach*, 466 F. Supp. 2d 628, 636 (D. Md. 2006) (same); Pet. 19 n.4, 22 n.6.[1]

---

[1] Respondents also err in analogizing a Fourth Circuit trademark case to this copyright case. Opp. 18. Unlike the Copyright Act, the Lanham Act governing trademarks expressly authorizes the defense of laches and does not contain an express statute of limitations. 15 U.S.C. §1115(b)(9) (2006); 17 U.S.C. §507(b) (2006); Pet. 29. Thus, no court other than the Ninth Circuit follows respondents' invitation to conflate laches under the Copyright Act and the Lanham Act. Pet. 23, 29; *see, e.g.*, *Peter Letterese*, 533 F.3d at 1321 n.40 (rejecting respondents' analogy).

2. Respondents also concede that "some courts [i.e., the Eleventh Circuit] . . . allow[ ] laches to bar a damages claim but not injunctive relief." Opp. 23. And they do not dispute that another court (the Second Circuit) takes the reverse view. Both views conflict with the Ninth Circuit's holding that laches bars all relief. Indeed, the Eleventh and Second Circuits' disagreements with each other, as well as with the Ninth Circuit, about *which* types of relief may be barred further highlights the conflict. This case, which presents claims for both damages and injunctive relief, presents an ideal opportunity for this Court to resolve the conflict.

a. The Eleventh Circuit categorically holds that laches can "not [bar] *prospective* relief" for copyright infringement. *Peter Letterese*, 533 F.3d at 1321 (emphasis added); Pet. 17. In conflict with the Ninth Circuit, the Eleventh Circuit would thus allow petitioner's suit to proceed, just as it permitted Peter Letterese's suit to proceed.

Even as to damages, the Eleventh Circuit erects a "strong presumption" against laches and requires a finding of "the most extraordinary circumstances." *Peter Letterese*, 533 F.3d at 1320. Although respondents claim that this case would meet that test, Opp. 19, neither the district court nor the Ninth Circuit made any such finding, nor could they have done so on this record. *Infra* p.10 & n.3.

b. The Second Circuit holds that "laches cannot bar" "a federal statutory claim seeking *legal* relief,"

such as damages for copyright infringement. *Ivani Contracting Corp.* v. *City of New York*, 103 F.3d 257, 260 (2d Cir. 1997) (emphasis added); Pet. 17-18 & nn.2 & 4. That rule would have allowed this case to proceed.

Respondents distort the Second Circuit's holding in *New Era Publ'ns Int'l* v. *Henry Holt & Co.*, 873 F.2d 576, 584-85 (2d Cir.), *reh'g denied*, 884 F.2d 659 (2d Cir. 1989). They note that *New Era* permitted laches to bar prospective (i.e., equitable) relief. Opp. 9, 16, 20. But they ignore the corresponding holding that, although laches had been shown, the plaintiffs' damages claim must nonetheless be allowed to proceed. Pet. 18 & n.2.

Respondents do argue that the Second Circuit would at least have treated petitioner's *equitable* claims as did the Ninth Circuit. Even if that were correct, the conflict on the *legal* claims would remain. But in any event, the Second Circuit permits laches to bar equitable relief only on "rare[ ] . . . occasion[s]." *Ikelionwu* v. *United States*, 150 F.3d 233, 238 (2d Cir. 1998). Respondents claim that this case is rare simply because of the length of time between the initial infringement and the filing of suit. Opp. 20. But as this Court has noted, "laches is not like limitation, a mere matter of time; but principally a question of the inequity of permitting the claim to be enforced." *Galliher* v. *Cadwell*, 145 U.S. 368, 373 (1892). Thus, even a delay of up to twenty-eight years after the initial infringement may not suffice to trigger laches. Pet. 18 n.3 (collecting cases). Indeed, this Court has

rejected a laches defense despite a twenty-seven year delay. *Costello* v. *United States*, 365 U.S. 265, 281-84 (1961) (alternative holding).

3. The Tenth Circuit "generally defer[s]" to the statute of limitations in copyright actions. *Jacobsen* v. *Deseret Book Co.*, 287 F.3d 936, 950 (10th Cir. 2002). Relying in part on *Lyons*, that court limits laches to "rare cases." *Id.* at 951 (internal quotation marks omitted). The Sixth Circuit likewise limits laches to "the most compelling of cases," such as when architects ask a court to destroy condominiums already bought and occupied by innocent third parties. *Chirco*, 474 F.3d at 233, 235-36; Pet. 20-21.

Respondents try to distinguish both of those cases as involving short delays. Opp. 16. But, as noted, laches is not primarily about the length of delay. And respondents cannot distinguish the Sixth and Tenth Circuits' presumptions against laches. Both circuits mandate a rare-case finding before applying laches that the courts below neither made nor could have made on this record. *Infra* p.10 & n.3. Without such a finding, both circuits would have reversed the grant of summary judgment here.

4. Many courts and commentators have acknowledged the circuit split over the past twelve years. Pet. 24-25. As Judge Fletcher noted in his concurrence, "[t]here is a severe circuit split on the availability of a laches defense in copyright cases." Pet. App. 23a. Nimmer and Patry both note the "divergent approaches" of the Second, Fourth, Sixth, Tenth, and

Eleventh Circuits. 3 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT §12.06[A] (Matthew Bender & Co. 2012); *accord* 6 WILLIAM F. PATRY, PATRY ON COPYRIGHT §20.55 (West 2012).[2]

The commentators explain that circuits apply widely varying legal standards and that those differences matter greatly in practice. "Pending realignment of the circuits or intervention at the Supreme Court level, the [laches] defense accordingly remains in limbo – susceptible of defeating infringement claims in some circuits, non-cognizable in others." 3 NIMMER ON COPYRIGHT §12.06[A] (footnotes omitted).

In short, the conflicting cases do much more than merely apply "equitable discretion" to "different facts." Opp. 15. Five circuits reject or sharply limit that discretion as a matter of law, while the Ninth Circuit does not. Even on respondents' own wording of the question – "[w]hether the district court had

---

[2] Many student authors have acknowledged this circuit split. Emily Calwell, *Can the Application of Laches Violate the Separation of Powers?*, 44 VAL. U. L. REV. 469 (2010); Vikas Didwania, *The Defense of Laches in Copyright Infringement Claims*, 75 U. CHI. L. REV. 1227 (2008); Elizabeth Kim, *To Bar or Not to Bar?*, 43 U.C. DAVIS L. REV. 1709 (2010); Ryan Locke, *Resetting the Doomsday Clock*, 6 BUFF. INTELL. PROP. L.J. 133 (2009); Misty Nall, *(In)Equity in Copyright Law*, 35 N. KY. L. REV. 325 (2008); Dylan Ruga, *The Role of Laches in Closing the Door on Copyright Infringement Claims*, 29 NOVA L. REV. 663 (2005); Jason Swartz, *When the Door Closes Early*, 76 U. CIN. L. REV. 1457 (2008).

discretion" to invoke laches to dismiss this entire case, Opp. i. – three courts, and probably two more, would answer "no." It is hard to see how these courts could be any clearer in rejecting the Ninth Circuit's embrace of discretion. There certainly is a "conflict among the circuits on the underlying legal standard" for the availability of laches and thus a "need for this Court's review." Opp. 15.

II. There Are No Vehicle Problems

1. This case is a clean vehicle for reaching and resolving the question presented. Petitioner seeks only to recover damages dating from three years before she filed suit, plus prospective injunctive relief. Pet. 11. Respondents' repeated infringements from 2006 to this day fall squarely within the three-year statute of limitations.

Respondents nevertheless claim that this case "was not filed 'within' the three-year statute of limitations" because previous infringements occurred more than three years before suit was filed. Opp. 21. But they cite no authority for barring claims X, Y, and Z simply because claims A, B, and C could have been brought earlier. The statute of limitations accrues separately for each new act of infringement. Courts uniformly treat continuing-infringement suits challenging recent infringements as timely, even when they are filed more than three years after the initial infringement. Pet. 6-7 (citing Nimmer and Patry); *supra* pp.2-3; *see also Havens Realty Corp.* v. *Coleman*, 455

U.S. 363, 380 (1982) (adopting continuing-violation doctrine under Fair Housing Act).

2. Respondents also reiterate the district court's disputed finding of evidentiary prejudice, which the Ninth Circuit expressly declined to reach. Opp. 22-24; Pet. App. 12a. Although that finding was wrong, it is not at issue here. Rather, our claim is that the Ninth Circuit erred in holding that laches has any applicability here, regardless of that finding. As a matter of law, no amount of prejudice can justify entirely dismissing a suit in the Second, Fourth, or Eleventh Circuit. Even on the Sixth or Tenth Circuit's test, the courts below never made – and could not have made – the exceptional-circumstances findings that would be needed to apply laches.[3]

3. Next, respondents claim that the distinction between damages and injunctions was not raised

---

[3] Any evidentiary prejudice here is modest at best. As petitioner noted below, almost all the key witnesses remain alive: not only Jake and Joey LaMotta but also director Martin Scorsese, lead actor Robert De Niro, the two screenwriters, and both producers. Appellant's Opening Br. (Br.) 48-49; Excerpts of Record (ER) 1089. The Ninth Circuit expressly declined to reach or resolve the evidentiary-prejudice issue, suggesting its difficulty. Pet. App. 12a.

Any expectations-based prejudice is similarly unexceptional. Petitioner cited testimony by respondents' employees that between 1991 and 2009, respondents earned much more money from *Raging Bull* than they invested, did not act differently after the suit was filed, and could identify *nothing they would have done differently* if petitioner had filed suit earlier. Br. 41-45; ER 1043, 1050-52, 1058-61.

below. Opp. 23. Petitioner's claim has always been that laches does not bar any of her claims for relief. The fact that the Fourth Circuit agrees with her position entirely, some courts agree in part, and the Ninth Circuit disagrees entirely illustrates the need for this Court's review. In reviewing petitioner's claim, this Court could certainly consider each potential answer advanced by the various circuits and adopt whichever one the Court finds correct. *Cf. Yee* v. *City of Escondido*, 503 U.S. 519, 534-35 (1992); S. CT. R. 14.1(a).

III. The Ninth Circuit Erred in Superimposing Laches upon the Express Statute of Limitations for Copyright Infringement

1. Congress enacted a uniform three-year statute of limitations for copyright to fix time limits and deter forum shopping. Pet. 6, 30, 32. As respondents note, the Senate Report recognized that there would be "'various equitable situations on which the statute of limitations is generally *suspended*.'" Opp. 10 (quoting S. REP. NO. 85-1014, at 3 (1957)) (emphasis added). But that point supports our argument. The Senate Report refers to equitable considerations bearing on "tolling the statute" of limitations, not shortening it. S. REP. NO. 85-1014, at 2.

This focus on tolling exemplifies a principle of equity: where no statute exists to override equity, equity may expand relief but may not contract it. As Justice Story put it, "equity follows the law." 1 JOSEPH

STORY, COMMENTARIES ON EQUITY JURISPRUDENCE §64, at 69 (W.H. Lyon, Jr., ed., 14th ed. 1918). Thus, where no statute of limitation governs an action, courts may apply laches flexibly. *Gardner* v. *Pan. R.R. Co.*, 342 U.S. 29, 30-31 (1951) (per curiam); *Holmberg* v. *Armbrecht*, 327 U.S. 392, 396 (1946); *Russell* v. *Todd*, 309 U.S. 280, 287-89 (1940) (all cited at Opp. 9-11). But "[i]f Congress explicitly puts a limit upon the time for enforcing a right which it creates, there is an end to the matter. The Congressional statute of limitations is definitive." *Holmberg*, 327 U.S. at 395.

2. "Laches within the term of the statute of limitations is no defense at law." Pet. 27 (quoting *United States* v. *Mack*, 295 U.S. 480, 489 (1935)). Respondents try to distinguish the cases cited in the petition as resting upon "the intersection between laches and *sovereignty*." Opp. 10-11. That is an alternative holding of *Mack*. But separation of powers, like federalism and tribal sovereignty (*id.*), also preserves legislative sovereignty. And the other cases cited in the petition (at 27) rely not on sovereignty but on the equitable rule that laches applies only when suit is brought in "equity, in the absence of any statute of limitations." *Russell*, 309 U.S. at 287. "[E]quity, following the law," will not trump a governing statute of limitations. *Id.* at 288; *see also Wehrman* v. *Conklin*, 155 U.S. 314, 326-27 (1894); *Cross* v. *Allen*, 141 U.S. 528, 537 (1891).

3. Finally, respondents and the panel below misread Learned Hand and confuse laches with equitable estoppel. Pet. App. 18a, 25a. They repeatedly cite

Haas v. *Leo Feist Inc.*, 234 F. 105, 108 (S.D.N.Y. 1916) (L. Hand, J.), *see* Opp. 6, 7, 9, 12, 13, which was written long before Congress enacted the copyright statute of limitations in 1957. Unlike laches, equitable estoppel requires knowingly inducing detrimental reliance. Pet. App. 25a-27a. And because it is not a timeliness doctrine, it does not conflict with the statute of limitations.

CONCLUSION

This Court should grant the petition.

Respectfully submitted,

GLEN L. KULIK
KULIK GOTTESMAN & SIEGEL LLP
15303 Ventura Boulevard
Suite 1400
Sherman Oaks, CA 91403
(310) 557-9200
gkulik@kgslaw.com

STEPHANOS BIBAS
Counsel of Record
JAMES A. FELDMAN
NANCY BREGSTEIN GORDON
UNIVERSITY OF PENNSYLVANIA LAW SCHOOL
SUPREME COURT CLINIC
3501 Sansom Street
Philadelphia, PA 19104
(215) 746-2297
sbibas@law.upenn.edu

Counsel for Petitioner Paula Petrella

August 20, 2013

AMICUS CURIAE BRIEF

RECORD
AND
BRIEFS

No. 12-1315

Supreme Court, U.S.
FILED
JUN - 3 2013
OFFICE OF THE CLERK

In The

Supreme Court of the United States

PAULA PETRELLA,

Petitioner,

v.

METRO-GOLDWYN-MAYER, INC., et al.,

Respondents.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Ninth Circuit

BRIEF OF AMICUS CURIAE THE CALIFORNIA SOCIETY OF ENTERTAINMENT LAWYERS IN SUPPORT OF PETITIONER

STEVEN T. LOWE
DANIEL B. LIFSCHITZ
LOWE & ASSOCIATES
11400 Olympic Blvd.
Suite 640
Los Angeles. CA 90064
(310) 477-5811

STEVEN W. SMYRSKI
Counsel of Record
SMYRSKI LAW GROUP, A P.C.
3310 Airport Ave., SW
Santa Monica, CA 90405
(310) 397-9118
steve@smyrski.com

Counsel for Amicus Curiae

COCKLE LEGAL BRIEFS (800) 225-6964
WWW.COCKLELEGALBRIEFS.COM

Library of Congress
Law Library

TABLE OF CONTENTS

Page

TABLE OF CONTENTS i

TABLE OF AUTHORITIES ii

INTEREST OF AMICUS CURIAE 1

SUMMARY OF ARGUMENT 3

ARGUMENT 4

The Ninth Circuit Systematically Erects More Hurdles to Copyright Plaintiffs Than Do Many Other Circuits, All but Immunizing Motion Picture Studios and Television Networks From Infringement Claims 4

A. Defendant-Friendly Ninth Circuit Copyright Jurisprudence Has Subverted the Selection and Arrangement Test Mandated by This Court in *Feist* 5

B. The Ninth Circuit Subverts Canonical Tenets of Copyright Law with Its Recent and Novel Standard of "Substantial Dissimilarity" 11

C. The Ninth Circuit's Case Law Allows Judges to Be Self-Appointed Fact-Finders, Phasing Out Experts and Juries 14

D. As a Consequence of the Ninth Circuit's Aberrant Rulings, Plaintiffs Have Been All but Forced to Abandon Copyright Claims 17

CONCLUSION 21

TABLE OF AUTHORITIES

Page

CASES

Baxter v. MCA, Inc., 812 F.2d 421 (9th Cir. 1987) 11

Benay v. Warner Bros. Entm't, Inc., 607 F.3d 620 (9th Cir. 2010) 12, 13, 19, 20

Benjamin v. Walt Disney Company, 2007 U.S. Dist. LEXIS 91710 (C.D. Cal. 2007) 19

Berkic v. Crichton, 761 F.2d 1289 (9th Cir. 1985) 15

Bethea v. Burnett, 2005 WL 1720631 (C.D. Cal. 2005) 15, 18

Buggs v. Dreamworks, Inc., 2010 U.S. Dist. LEXIS 141515 (C.D. Cal. 2010) 19

Cavalier v. Random House, Inc., 297 F.3d 815 (9th Cir. 2002) 7, 8, 9, 13

Clements v. Screen Gems, Inc., 2010 U.S. Dist. LEXIS 132186 (C.D. Cal. 2010) 19

Feist Publ'ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340 (1991) ..... *passim*

Fleener v. Trinity Broad. Network, 203 F. Supp. 2d 1142 (C.D. Cal. 2001) 5, 16

Flynn v. Surnow, 2003 U.S. Dist. LEXIS 26973 (C.D. Cal. 2003) 18

Funky Films, Inc. v. Time Warner Entm't Co., L.P., 462 F.3d 1072 (9th Cir. 2006) ..... *passim*

Gable v. National Broadcasting Co., 727 F. Supp. 2d 815 (C.D. Cal. 2010) 15, 19

TABLE OF AUTHORITIES – Continued

Page

Gilbert v. New Line Productions, 2010 U.S. Dist. LEXIS 27134 (C.D. Cal. 2010) 19

Gregory v. Murphy, 1991 U.S. App. LEXIS 4893 (9th Cir. 1991) 18

Grosso v. Miramax Film Corporation, 2001 U.S. Dist. LEXIS 26199 (C.D. Cal. 2001) 18

Idema v. Dreamworks, Inc., 162 F. Supp. 2d 1129 (C.D. Cal. 2001) 18

In re Apple Computer Sec. Litig., 886 F.2d 1109 (9th Cir. 1989) 15, 17

Kodadek v. MTV Networks, 1996 U.S. Dist. LEXIS 20776 (C.D. Cal. 1996) 18

Kouf v. Walt Disney Pictures & Television, 16 F.3d 1042 (9th Cir. 1994) 11, 18

L.A. Printex Indus., Inc. v. Aeropostale, Inc., 676 F.3d 841 (9th Cir. 2012) 6

L.A. Printex Indus. v. Aeropostale, Inc., 2012 U.S. App. LEXIS 12032 (9th Cir. 2012) 6

Lane v. Universal City Studios, 1994 U.S. App. LEXIS 23769 (9th Cir. 1994) 18

Laskay v. New Line Cinema, 1998 U.S. App. LEXIS 23461 (C.D. Cal. 1998) 18

Lassiter v. Twentieth Century Fox Film Corporation, 238 Fed. Appx. 194 (9th Cir. 2007) 19

Litchfield v. Spielberg, 736 F.2d 1352 (9th Cir. 1984) 15

TABLE OF AUTHORITIES – Continued

Page

Merrill v. Paramount Pictures Corporation, 2005 U.S. Dist. LEXIS 45401 (C.D. Cal. 2005) 18

Mestre v. Vivendi Universal U.S. Holding Co., 273 Fed. Appx. 631 (9th Cir. 2008) 19

Metcalf v. Bochco, 294 F.3d 1069 (9th Cir. 2002) ..... *passim*

Metcalf v. Bochco, 200 Fed. Appx. 635 (9th Cir. 2006) 18

Milano v. NBC Universal, Inc., 584 F. Supp. 2d 1288 (C.D. Cal. 2008) 19

Novak v. Warner Bros. Pictures, LLC, 387 Fed. Appx. 747 (9th Cir. 2010) 19

Ostrowski v. Creative Artists Agency, 1994 U.S. App. LEXIS 23732 (9th Cir. 1994) 18

Pelt v. CBS, Inc., 1993 U.S. Dist. LEXIS 20464 (C.D. Cal. 1993) 18

Rice v. Fox Broadcasting Co., 330 F.3d 1170 (9th Cir. 2003) 8, 15, 18

Rosenfeld v. Twentieth Century Fox Film, 2009 U.S. Dist. LEXIS 9305 (C.D. Cal. 2009) 19

Roth Greeting Cards v. United Card Co., 429 F.2d 1106 (9th Cir. 1970) 5

Satava v. Lowry, 323 F.3d 805 (9th Cir. 2003) 5

Shaw v. Lindheim, 919 F.2d 1353 (9th Cir. 1990) ..... *passim*

TABLE OF AUTHORITIES – Continued

Page

Shaw v. Lindheim, 809 F. Supp. 1393 (C.D. Cal. 1992) 15, 18

Stewart v. Wachowski, 574 F. Supp. 2d 1074 (C.D. Cal. 2005).....18

Swirsky v. Carey, 376 F.3d 841 (9th Cir. 2004) 5, 16

Thomas v. Walt Disney Company, 337 Fed. Appx. 694 (9th Cir. 2009).....19

Three Boys Music Corp. v. Bolton, 212 F.3d 477 (9th Cir. 2000) 5

United States v. Hamilton, 583 F.2d 448 (9th Cir. 1978).....5

Walker v. Viacom International, Inc., 2010 U.S. App. LEXIS 1475 (9th Cir. 2010).....19

Weygand v. CBS, 1997 U.S. Dist. LEXIS 19613 (C.D. Cal. 1997).....18

White v. Samsung Electronics America, Inc., 989 F.2d 1512 (9th Cir. 2003) 4

Wild v. NBC Universal, Inc., 2013 U.S. App. LEXIS 4169 (9th Cir. 2013) 19

Wyler Summit P'ship v. Turner Broad. Sys., Inc., 235 F.3d 1184 (9th Cir. 2000) 15

Zella v. E. W. Scripps Company, 529 F. Supp. 2d 1124 (C.D. Cal. 2007) 19

TABLE OF AUTHORITIES – Continued

Page

CONSTITUTIONAL AND STATUTORY PROVISIONS

U.S. Const. amend. VII 16

17 U.S.C. § 101 13

17 U.S.C. § 106 13

OTHER AUTHORITIES

Benay v. Warner Bros. Entm't, 2008 WL U.S. 9th Cir. Briefs 55719 (9th Cir. June 9, 2009) 12

4-13 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT (Matthew Bender, Rev. Ed. 2012) 10, 11

Steven T. Lowe, *Death of Copyright*, L.A. LAWYER, Nov. 2010 2

Steven T. Lowe & Daniel Lifschitz, *Death of Copyright, the Sequel*, THE COMPUTER & INTERNET LAWYER, Sept. 2012 ..... 2, 7

Sup. Ct. R. 37.6 1

INTEREST OF AMICUS CURIAE[1]

Amicus curiae the California Society of Entertainment Lawyers (CSEL) is a recently formed non-profit, non-partisan, professional organization of attorneys representing authors, screenwriters, songwriters, and other creators of intellectual property in the entertainment industry, including television, film, and music. CSEL seeks to balance the influence of the international conglomerates within the television, film, and music industries through education, public-policy advocacy, legislation, and litigation, in this case as an amicus curiae.

Due to their limited resources and relative ignorance of the law, individual creators in the entertainment industry are at a great disadvantage relative to corporate entities (such as studios) when attempting to protect or exploit their intellectual property. When creative professionals and studios face one another in court over alleged violations of intellectual property rights, these limitations most often result in decisive victories for studio and network

---

[1] Pursuant to Supreme Court Rule 37.6, counsel for amicus certify that no counsel for a party authored this brief in whole or in part, and no counsel or party made a monetary contribution intended to fund the preparation or submission of this brief. No person other than amicus made such a monetary contribution. The parties have been given at least ten days' notice of amicus' intention to file this brief. Letters of consent are being filed with the Clerk of this Court.

defendants.[2] CSEL seeks to level the playing field by providing informative counseling and advice to creator-litigants as to best practices for protecting and enforcing their rights, as well as advocating their interests to those in a position to correct perceived deficiencies in their legal protections.

In her petition for certiorari, Petitioner has demonstrated in detail the error of the Ninth Circuit's ruling and analyzed the conflicts of authority justifying this Court's intervention. CSEL agrees with Petitioner that the circuit split regarding the use of laches in the context of copyright infringement claims is ripe for resolution by the court, as it directly affects the uniform application of a federal body of law. The case below provides a clean vehicle for resolving the circuit split, as the issue of laches was dispositive of Petitioner's copyright claim.

---

[2] *See* Steven T. Lowe, *Death of Copyright*, L.A. LAWYER, Nov. 2010, at 32, 34-35, *available at* http://www.loweandassociatespc.com/press/publications/death-of-copyright (identifying 29 cases within the Ninth Circuit decided between 1991 and 2010 in which the studio or network defendants prevailed); Steven T. Lowe & Daniel Lifschitz, *Death of Copyright, the Sequel*, THE COMPUTER & INTERNET LAWYER, Sept. 2012, at 1, 7 nn.15, 18, *available at* http://www.loweandassociatespc.com/press/publications/death-of-copyright-the-sequel (identifying 5 more cases decided within the Ninth Circuit in 2010 and 2011 in which the studio or network defendants prevailed).

SUMMARY OF ARGUMENT

The case before the Court is symptomatic of the Ninth Circuit's broader hostility to copyright plaintiffs – specifically, creators filing suit against conglomerates within the entertainment industry for violation of their intellectual property rights. In the past decade alone, the Ninth Circuit has upended both the selection and arrangement test of copyrightability (a test specifically mandated by this Court in *Feist*) and the traditional standards for analyzing substantial similarity between works, confining each to circumstances that systemically frustrate plaintiffs' claims. In addition, findings of fact properly left to a jury are now routinely conducted by the judges overseeing cases within the Ninth Circuit, depriving litigants of their ability to present expert testimony on issues properly left to the triers of fact. As a result, the Ninth Circuit persistently dismisses such plaintiffs' claims, making it more adverse to copyright plaintiffs than other circuits are and tilting its case law strongly in favor of studio and network defendants.

These additional hurdles that the Ninth Circuit has erected to copyright infringement claims, like the laches doctrine at issue here, flout canonical tenets of copyright law and this Court's binding precedent, and are out of step with the approaches of sister circuits. Because individual authors lack the organization and resources of the major studios and networks, they

have little hope of reversing this trend within the Ninth Circuit, absent this Court's intervention.

ARGUMENT

The Ninth Circuit Systematically Erects More Hurdles to Copyright Plaintiffs Than Do Many Other Circuits, All but Immunizing Motion Picture Studios and Television Networks From Infringement Claims.

In dissenting from the Ninth Circuit's 1993 decision in *White v. Samsung Electronics America*, now-Chief Judge Alex Kozinski famously remarked: "for better or worse, we are the Court of Appeals for the Hollywood Circuit."[3] This oft-quoted observation neatly encapsulates the problem that creator-plaintiffs face in litigating within the Ninth Circuit: The case law governing copyright simply has become amorphous or markedly adverse to creators. As a result, the determination of each case now rests almost entirely in the unfettered discretion of trial judges, who have consistently dismissed plaintiffs' claims. The question before the Court in this case, concerning the Ninth Circuit's rogue application of laches in the context of copyright claims, is symptomatic

[3] *White v. Samsung Electronics America, Inc.*, 989 F.2d 1512, 1521 (9th Cir. 2003).

of the Circuit's hostility to creator-side copyright plaintiffs in general, as Judge Fletcher recognized in his concurrence below.[4]

A. Defendant-Friendly Ninth Circuit Copyright Jurisprudence Has Subverted the Selection and Arrangement Test Mandated by This Court in *Feist*.

The Ninth Circuit's unrestricted approval of the laches defense in this case is in keeping with its defendant-friendly test for substantial similarity, at odds with this Court's holding in *Feist*.[5] A basic notion of copyright law is that, although it does not generally protect characters, basic plot premises in literary works, or commonly used expressions that flow naturally from those premises (i.e., "scènes à faire"), the original selection and arrangement of these elements can constitute a protectable work in and of itself.[6] Therefore, if the courts were to "screen out" all

---

[4] "Our circuit is the most hostile to copyright owners of all the circuits." Pet. App. 23a (Fletcher, J., concurring).

[5] *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 348 (1991).

[6] *See Roth Greeting Cards v. United Card Co.*, 429 F.2d 1106 (9th Cir. 1970); *United States v. Hamilton*, 583 F.2d 448 (9th Cir. 1978); *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 348 (1991); *Shaw v. Lindheim*, 919 F.2d 1353, 1363 (9th Cir. 1990); *Three Boys Music Corp. v. Bolton*, 212 F.3d 477, 481 (9th Cir. 2000); *Fleener v. Trinity Broad. Network*, 203 F. Supp. 2d 1142 (C.D. Cal. 2001); *Metcalf v. Bochco*, 294 F.3d 1069 (9th Cir. 2002); *Satava v. Lowry*, 323 F.3d 805 (9th Cir. 2003); *Swirsky v. Carey*, 376 F.3d 841 (9th Cir. 2004).

unprotectable elements before comparing the two works, there would be virtually nothing left for courts to look for an original selection and arrangement. Such a screening process would thus violate the selection and arrangement test and improperly limit the scope of copyright protection in a work. The Ninth Circuit realized this, for instance, in the 1990 case of *Shaw v. Lindheim,* which held that "[e]ven if none of [the] plot elements [shared between the two works at issue] is remarkably unusual in and of itself, the fact that both scripts contain all of these similar events gives rise to a triable question of substantial similarity of protected expression."[7] This ruling in *Shaw* was substantially ratified by this Court one year later in *Feist,* when the Court held that in dealing with works largely (or even entirely) composed of unprotectable elements, "choices as to *selection and arrangement*, so long as they are made independently by the compiler and entail a minimal degree of creativity, are sufficiently original."[8]

The Ninth Circuit has never seriously disputed the validity of the selection and arrangement test for copyright protection, invoking the test as recently as 2012.[9] However, it has repeatedly undermined use of the test to drastically limit the circumstances in

---

[7] *Shaw*, 919 F.2d at 1363.

[8] *Feist*, 499 U.S. at 348 (emphasis added).

[9] *L.A. Printex Indus., Inc. v. Aeropostale, Inc.*, 676 F.3d 841 (9th Cir. 2012), *amended by L.A. Printex Indus. v. Aeropostale, Inc.*, 2012 U.S. App. LEXIS 12032 (9th Cir. 2012).

which the test can be applied. In 2002, the Ninth Circuit held in *Cavalier v. Random House* that when conducting a substantial similarity analysis, the Court "must take care to inquire only whether the protectable elements, standing alone, are substantially similar," and in doing so, "must filter out and disregard the non-protectable elements in making its substantial similarity determination."[10] This standard is at odds with both *Shaw* and *Feist,* allowing courts to isolate individual similarities, quickly classify them as unprotected elements (such as individual character archetypes, plot points, and themes), and *remove them entirely* from analytical consideration, even though they may be part of a protectable selection and arrangement.[11] Furthermore, it goes *beyond* both the Second and Ninth Circuit case law it cites to justify the new standard, further distancing itself from the jurisprudence of other federal circuits.[12]

---

[10] *Cavalier v. Random House, Inc.*, 297 F.3d 815, 823 (9th Cir. 2002) (internal citations omitted).

[11] *See Death of Copyright, the Sequel, supra* note 2, at 3.

[12] *Id.* at 2-3 ("The 'protectable elements, standing alone' standard comes from a 1995 Second Circuit decision and was adopted by the Ninth Circuit in the *Cavalier v. Random House* decision in 2002, under the claim that it comported with prior Ninth Circuit jurisprudence. *Cavalier* has been cited regularly since for the propositions that courts should not only look at 'protectable elements, standing alone' in assessing substantial similarity, but also 'filter out and disregard the non-protectable elements.' The problem is that the *Cavalier* court plucked that

(Continued on following page)

The Ninth Circuit acknowledged this problem in 2003's *Metcalf v. Bochco,* which held that "[t]he particular sequence in which an author strings a significant number of unprotectable elements can itself be a protectable element."[13] The Court's solution to the apparent contradiction was to distinguish *Cavalier* as having dealt only with *random* similarities scattered throughout works, rather than concrete patterns.[14] Because the *Cavalier* plaintiff "apparently did not make an argument based on the overall selection and sequencing of these similarities," the Ninth Circuit found *Cavalier* was not applicable to a claim where that contention *was* made.[15] Yet shortly thereafter, the Ninth Circuit twice distinguished *Metcalf*'s use of selection and arrangement as only applicable when there has been an admission by the defendant that he or she had access to the plaintiff's work[16] (as occurred in *Shaw*[17]). While a copyright

---

second part out of thin air; it is not in the Second Circuit standard, and goes beyond prior Ninth Circuit case law.").

[13] *Metcalf*, 294 F.3d at 1074. It should be noted that the court does not actually cite *Feist* for its proposition, but rather to Shaw v. Lindheim, which predates *Feist*.

[14] *Id.* at 1074-75.

[15] *Id.*

[16] *Rice v. Fox Broadcasting Co.*, 330 F.3d 1170, 1179 (9th Cir. 2003) ("[O]ur decision in *Metcalf* was based on a form of inverse ratio rule analysis: the plaintiff's case was "strengthened considerably by [defendants'] concession of access to their works"); *Funky Films, Inc. v. Time Warner Entm't Co., L.P.*, 462 F.3d 1072, 1081, n.4 (9th Cir. 2006) (declining to apply *Metcalf* because "this is not a circumstance in which the defendant has

(Continued on following page)

plaintiff has always been required to prove the defendant (a) had access to the plaintiff's work and (b) in fact copied from the plaintiff's work, the idea that defendants can restrict how plaintiffs prove the latter merely by disavowing the former (their candor vis-à-vis the issue of access determining what tests are available to demonstrate substantial similarity) is, to the best of counsel's knowledge and research, uniquely a Ninth Circuit phenomenon.

The preceding line of Ninth Circuit cases appears to have effectively created a *condition precedent* (admitted access) to use of the selection and arrangement test where none has ever actually been found to be required before: if the Defendant does not *admit* access, the courts will not apply *Metcalf*; without *Metcalf, Cavalier* applies instead; if *Cavalier* applies, those unprotected elements are disregarded before an extrinsic analysis; and if unprotected elements are disregarded before an extrinsic analysis, plaintiffs always lose.

The Ninth Circuit has thus quietly skewed copyright's balance. The Supreme Court laid out a straightforward rule in *Feist*, which the Ninth Circuit seemed to follow both before (*Shaw*) and afterward

---

conceded access to the purportedly copied material"). *Funky Films*, 462 F.3d, 1078.

[17] *Shaw*, 919 F.2d at 1362 ("[D]efendants' admission that they had access to Shaw's script is a factor to be considered in favor of [the plaintiff]").

(*Metcalf*) with no mention at any time of any condition precedent to protecting patterns of individually unprotected elements. Yet over the last decade, the Ninth Circuit has ignored and constricted that test to a level that almost no plaintiff can overcome. This preoccupation with admitted access frustrates creators in Hollywood, who will almost never have knowledge of the inner machinations of the studios with whom they must deal to have their work produced. *Nimmer on Copyright*, the leading treatise in the field, recognizes this reality.[18] Absent a confessional communiqué or surveillance tape of a studio hire poring over the plaintiff's work, there will always be some measure of speculation or inference required to show "actual copying" – even the claim in *Feist* heavily relied upon probative similarities.[19] Yet now plaintiffs are seemingly barred from properly demonstrating substantial similarity in the Ninth Circuit unless they can directly prove access first.

---

[18] 4-13 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 13.02[A] (Matthew Bender, Rev. Ed. 2012) ("Just as it is virtually impossible to offer direct proof of copying, so it is often impossible for a plaintiff to offer direct evidence that defendant (or the person who composed defendant's work) actually viewed or had knowledge of plaintiff's work. Such viewing will ordinarily have occurred, if at all, in a private office or home outside of the presence of any witnesses available to the plaintiff.").

[19] *Feist*, 499 U.S. at 344 ("1,309 of the 46,878 listings in [the defendant's] 1983 directory were identical to listings in [the plaintiff's] 1982-1983 white pages . . . Four of these were fictitious listings that [the defendant] had inserted into its directory to detect copying.").

This defendant-friendly skewing of the doctrine is of a piece with the Ninth Circuit's unrestricted embrace of laches at issue in this case – yet another substantial obstacle to copyright infringement suits.

B. The Ninth Circuit Subverts Canonical Tenets of Copyright Law with Its Recent and Novel Standard of "Substantial Dissimilarity."

Another example of the Ninth Circuit's adversity to copyright plaintiffs is its recent adoption of a substantial-dissimilarity test for copyright infringement. Traditionally, the Ninth Circuit, like other circuits, approached infringement claims simply by analyzing the similarities between the works at issue.[20] A qualitatively important similarity, even if it did not quantitatively permeate the infringing work, could provide the basis for an infringement claim.[21] Furthermore, the portions copied by defendant only needed to be qualitatively important to the *plaintiff's* work, *not the defendant's*.[22]

---

[20] *See, e.g., Kouf v. Walt Disney Pictures & Television*, 16 F.3d 1042, 1045 (9th Cir. 1994).

[21] *See, e.g., Baxter v. MCA, Inc.*, 812 F.2d 421, 425 (9th Cir. 1987) ("Even if a copied portion be relatively small in proportion to the entire work, if qualitatively important, the finder of fact may properly find substantial similarity.").

[22] *See* NIMMER § 13.03[B][1][a], at 13-53 ("Dissimilarity is only relevant when "points of dissimilarity not only exceed the points of similarity, but indicate that the remaining points of

(Continued on following page)

However, in the 2006 case of *Funky Films, Inc. v. Time Warner Entertainment Company, L.P.*, the Ninth Circuit subverted all of the above by creating a whole new defense for alleged infringers where none previously existed: The court justified its ruling for the studio defendant in *Funky Films* on the basis that a "reading of the two works reveal[ed] greater, more significant differences" than similarities.[23] In essence, the court constructed a new test of "substantial dissimilarity" in the context of copyright infringement, one that completely contravenes the well-established principle that dissimilarity is essentially irrelevant as long as the plaintiff makes a showing of similarity to a substantial element of the plaintiff's work.[24]

The impact of this new defense was seen in the 2010 case of *Benay v. Warner Bros.*: Despite compelling evidence that actual copying of the plaintiff's screenplay occurred,[25] the court deemed such copying insufficient to overcome the overall lack of similarities between only the individually protectable elements

---

similarity are, within the context of plaintiff's work, of minimal importance.") (emphasis added).

[23] *Funky Films, Inc. v. Time Warner Entm't Co., L.P.*, 462 F.3d 1072, 1078 (9th Cir. 2006).

[24] NIMMER § 13.03[B][1][a].

[25] *Benay v. Warner Bros. Entm't*, 2008 WL U.S. 9th Cir. Briefs 55719 (9th Cir. June 9, 2009) ("Defendants copied plaintiffs' work right down to the historical inaccuracy of cannons being new when in fact cannons date back to the fourteenth century.").

of the works."[26] The Ninth Circuit's analysis once again ignored the selection-and-arrangement test (citing *Cavalier*, but not *Metcalf*), comfortably stripping all unprotected elements from the works and ultimately using the new *Funky Films* dissimilarity test as a basis to rule against the plaintiffs on their copyright claim.[27]

In the wake of *Funky Films* and *Benay*, it appears that the old Learned Hand chestnut that "no plagiarist can excuse the wrong by showing how much of his work he did not pirate" may no longer be true within the Ninth Circuit.[28] The result of this shift in copyright law is that third parties now have the freedom to steal from screenplays with impunity, provided they cover their tracks by adding sufficient new material to what is, in reality, a "derivative work."[29] As with the doctrine of laches in this case, the

---

[26] *Benay v. Warner Bros. Entm't, Inc.*, 607 F.3d 620, 629 (9th Cir. 2010).

[27] *Id.* at 625 ("We agree with the district court that '[w]hile on cursory review, these similarities may appear substantial, a closer examination of the protectable elements including plot, themes, dialogue, mood, setting, pace, characters, and sequence of events, exposes many more differences than similarities between Plaintiffs' Screenplay and Defendants' film.' ").

[28] *Shaw*, 919 F.2d at 1362 (quoting *Sheldon v. Metro-Goldwyn Pictures Corp.*, 81 F.2d 49, 56 (2d Cir. 1936)).

[29] A "derivative work," as defined by 17 U.S.C. § 101, is "a work based upon one or more pre-existing works . . including any form in which a work may be recast, transformed, or adapted." 17 U.S.C. § 106 provides that, subject to other sections

(Continued on following page)

Ninth Circuit's invention of the substantial-dissimilarity requirement once again makes its courts more hostile to copyright plaintiffs than those of other circuits.

C. The Ninth Circuit's Case Law Allows Judges to Be Self-Appointed Fact-Finders, Phasing Out Experts and Juries.

Yet another area in which the Ninth Circuit's case law stretches to favor copyright infringement defendants is its summary judgment standards, which allow defendants to bypass expert witnesses and juries. The *ad hoc* consideration of dissimilarities and the refusal to acknowledge selection and arrangement has stripped creators of the doctrines that once protected them. If more juries were presented the facts of these cases, creators might hope to reverse the imbalance. The determination of appropriation has time and again been allocated to the presiding judge of each case instead.

While courts in the Ninth Circuit have repeatedly cited the proposition that "summary judgment is not highly favored on the substantial similarity issue

---

of the Copyright Act, a copyright owner "has the exclusive rights to do and to authorize . . . derivative works based upon the copyrighted work."

in copyright cases,"[30] the overwhelming majority of copyright cases are dismissed on exactly that issue. Admissible expert testimony can defeat summary judgment against the proffering party.[31] When two expert witnesses reasonably contradict one another, this creates a material issue of fact that a jury is required to resolve.[32] However, the Ninth Circuit has inexplicably carved out literary analysis as an exception to this rule, frequently dismissing expert witnesses to copyright infringement claims involving screenplays or novels and analyzing the works themselves.[33]

---

[30] *See Funky Films*, 462 F.3d at 1076; *Berkic v. Crichton*, 761 F.2d 1289, 1292 (9th Cir. 1985); *Litchfield v. Spielberg*, 736 F.2d 1352, 1355 (9th Cir. 1984); *Shaw v. Lindheim*, 809 F. Supp. 1393, 1355 (C.D. Cal. 1992).

[31] *In re Apple Computer Sec. Litig.*, 886 F.2d 1109, 1116 (9th Cir. 1989) (citing *Bieghler v. Kleppe*, 633 F.2d 531, 534 (9th Cir. 1980) ("As a general rule, summary judgment is inappropriate where an expert's testimony supports the nonmoving party's case.").

[32] *Wyler Summit P'ship v. Turner Broad. Sys., Inc.*, 235 F.3d 1184, 1192 (9th Cir. 2000) ("Weighing the credibility of conflicting expert witness testimony is the province of the jury.").

[33] *See Rice*, 330 F.3d 1170 (holding that district court did not abuse its discretion in disregarding the testimony of plaintiff's expert); *Bethea v. Burnett*, 2005 WL 1720631, at *12 (C.D. Cal. 2005) (ignoring plaintiff's expert's testimony, finding it unhelpful to the court's own analytic dissection); *Shaw*, 809 F. Supp. 1393 (disregarding plaintiff's expert's testimony in overturning jury verdict in favor of plaintiff); *Funky Films*, 462 F.3d at 1076 ("[T]he district court conducted an independent analysis of [the works]."); *Gable v. National Broadcasting Co.*, 727 F. Supp. 2d 815, 836, n.18 (C.D. Cal. 2010) ("Expert testimony is

(Continued on following page)

In 2001, the U.S. District Court for the Central District of California stated in *Fleener v. Trinity Broadcasting Network* (a case that was not against a major studio): "There is abundant case-law establishing that expert testimony is particularly appropriate in summary judgment motions under the copyright 'extrinsic test.'"[34] In spite of this fact, judges within the Ninth Circuit disregard such testimony[35] when they believe that they can do their own comparison, regardless of how the testimony comports with well-established legal standards.[36] In addition to denigrating the craft of such creator-plaintiffs, these judges essentially deprive them of their Seventh Amendment rights to jury trials.

In copyright infringement cases, judges are supposed to play the role of gatekeeper to the jury. Their task in analyzing substantial similarity is

---

far less critical in a case like this than it is in a case where specialized knowledge is required to dissect the objective components of the copyrighted work.").

[34] *Fleener*, 203 F. Supp. 2d at 1147 (denying defendants' requests for reconsideration and summary adjudication based on substantial similarities between the two works).

[35] *See supra* note 33.

[36] *But see Swirsky*, 376 F.3d at 846 (the district court's dismissal of expert testimony and use of its own substantial similarity analysis to discount similarities between the two works as *scènes à faire* was erroneous) (quoting *Brown Bag Software v. Symantec Corp.*, 960 F.2d 1465, 1472 (9th Cir. 1992)).

supposed to be extrinsic – that is, objective.[37] If a plaintiff can show objective similarity, a jury is brought in to determine whether the total concept and feel – the intrinsic test – of the plaintiff's and defendant's works are substantially similar. In practice, however, the extrinsic test has been devoured by an intrinsic test performed by the judge, who commands a body of case law so internally inconsistent that the standard of review is chosen rather than adhered to. Simply put, with judges able to substitute their opinions for those of experts and juries on issues of material fact, all other witnesses become effectively unnecessary.

D. As a Consequence of the Ninth Circuit's Aberrant Rulings, Plaintiffs Have Been All but Forced to Abandon Copyright Claims.

The cumulative effect of defendant-friendly rulings such as the decision below has been a dramatic pro-defendant tilt in copyright litigation within the Ninth Circuit. Studios and networks have won every one of the dozens of copyright infringement cases litigated to final judgment in the Ninth Circuit

---

[37] *In re Apple Sec. Litig.*, 886 F.2d 1109, 1442 (9th Cir. 1989) (citing *Brown Bag Software*, 960 F.2d at 1475); *Shaw*, 919 F.2d at 1357 ("[T]he extrinsic test now objectively considers whether there are substantial similarities *in both ideas and expression*, whereas the intrinsic test continues to measure expression subjectively.") (emphasis added).

since 1990, to the best of counsel's knowledge and research, usually on summary judgment.[38] As a result,

---

[38] *Gregory v. Murphy*, 1991 U.S. App. LEXIS 4893 (9th Cir. 1991) (summary judgment for defendant affirmed) ("Coming to America"); *Shaw v. Lindheim*, 809 F. Supp. 1393 (C.D. Cal. 1992) (upon remand, judgment as a matter of law in favor of defendant studio) ("The Equalizer"); *Pelt v. CBS, Inc.*, 1993 U.S. Dist. LEXIS 20464 (C.D. Cal. 1993) (summary judgment for defendant) ("Listen Up! Young Voices for Change"); *Kouf v. Walt Disney Pictures & Television*, 16 F.3d 1042 (9th Cir. 1994) (summary judgment for defendant affirmed) ("Honey, I Shrunk the Kids"); *Lane v. Universal City Studios*, 1994 U.S. App. LEXIS 23769 (9th Cir. 1994) (summary judgment for defendants affirmed) ("Kojak: Fatal Flaw"); *Ostrowski v. Creative Artists Agency*, 1994 U.S. App. LEXIS 23732 (9th Cir. 1994) (summary judgment for defendant affirmed) ("To Forget Palermo"); *Kodadek v. MTV Networks*, 1996 U.S. Dist. LEXIS 20776 (C.D. Cal. 1996) (summary judgment for defendant) ("Beavis & Butthead"); *Weygand v. CBS*, 1997 U.S. Dist. LEXIS 19613 (C.D. Cal. 1997) (summary judgment for defendant) ("Charlie"); *Laskay v. New Line Cinema*, 1998 U.S. App. LEXIS 23461 (C.D. Cal. 1998) (summary judgment for defendant) ("Don Juan DeMarco"); *Grosso v. Miramax Film Corporation*, 2001 U.S. Dist. LEXIS 26199 (C.D. Cal. 2001) (summary judgment for defendant) ("Rounders"); *Idema v. Dreamworks, Inc.*, 162 F. Supp. 2d 1129 (C.D. Cal. 2001) (summary judgment for defendant) ("The Peacemaker"); *Rice v. Fox Broadcasting Co.*, 330 F.3d 1170 (9th Cir. 2003) (summary judgment for defendant affirmed) ("The Mystery Magician"); *Metcalf v. Bochco*, 294 F.3d 1069 (9th Cir. 2002) (jury verdict in favor of defendant studio), *aff'd*, *Metcalf v. Bochco*, 200 Fed. Appx. 635 (9th Cir. 2006) ("City of Angels"); *Flynn v. Surnow*, 2003 U.S. Dist. LEXIS 26973 (C.D. Cal. 2003) (summary judgment for defendant) ("24"); *Bethea v. Burnett*, 2005 WL 1720631 (C.D. Cal. 2005) (summary judgment for defendant) ("The Apprentice"); *Merrill v. Paramount Pictures Corporation*, 2005 U.S. Dist. LEXIS 45401 (C.D. Cal. 2005) (summary judgment for defendant) ("Crossroads"); *Stewart v. Wachowski*, 574 F. Supp 2d 1074 (C.D. Cal. 2005) (summary

(Continued on following page)

authors are now forced to contort and repackage their claims under other headings, such as implied-in-fact

---

judgment for defendant) ("The Matrix"); *Funky Films, Inc. v. Time Warner Entm't Co., L.P.*, 462 F.3d 1072 (9th Cir. 2006) (summary judgment for defendant) ("Six Feet Under"); *Benjamin v. Walt Disney Company*, 2007 U.S. Dist. LEXIS 91710 (C.D. Cal. 2007) (summary judgment for defendant) ("Sweet Home Alabama"); *Lassiter v. Twentieth Century Fox Film Corporation*, 238 Fed. Appx. 194 (9th Cir. 2007) (summary judgment for defendant affirmed) ("Drumline"); *Zella v. E. W. Scripps Company*, 529 F. Supp. 2d 1124 (C.D. Cal. 2007) (defendant's motion to dismiss granted) ("Rachael Ray"); *Mestre v. Vivendi Universal U.S. Holding Co.*, 273 Fed. Appx. 631 (9th Cir. 2008) (summary judgment for defendant affirmed) ("Billy Elliot"); *Milano v. NBC Universal, Inc.*, 584 F. Supp. 2d 1288 (C.D. Cal. 2008) (summary judgment for defendant) ("The Biggest Loser"); *Rosenfeld v. Twentieth Century Fox Film*, 2009 U.S. Dist. LEXIS 9305 (C.D. Cal. 2009) (summary judgment for defendant) ("Robots"); *Thomas v. Walt Disney Company*, 337 Fed. Appx. 694 (9th Cir. 2009) (defendant's motion to dismiss affirmed) ("Finding Nemo"); *Benay v. Warner Bros. Entm't, Inc.*, 607 F.3d 620 (9th Cir. 2010) (summary judgment for defendant affirmed) ("The Last Samurai"); *Buggs v. Dreamworks, Inc.*, 2010 U.S. Dist. LEXIS 141515 (C.D. Cal. 2010) (summary judgment for defendant) ("Flushed Away"); *Clements v. Screen Gems, Inc.*, 2010 U.S. Dist. LEXIS 132186 (C.D. Cal. 2010) (summary judgment for defendant) ("Stomp the Yard"); *Gable v. National Broadcasting Co.*, 727 F. Supp. 2d 815 (C.D. Cal. 2010) (summary judgment for defendant) ("My Name Is Earl"); *Gilbert v. New Line Productions*, 2010 U.S. Dist. LEXIS 27134 (C.D. Cal. 2010) (summary judgment for defendant) ("Monster in Law"); *Novak v. Warner Bros. Pictures, LLC*, 387 Fed. Appx. 747 (9th Cir. 2010) (summary judgment for defendant affirmed) ("We Are Marshall"); *Walker v. Viacom International, Inc.*, 2010 U.S. App. LEXIS 1475 (9th Cir. 2010) (summary judgment for defendant) ("SpongeBob SquarePants"); *Wild v. NBC Universal, Inc.*, 2013 U.S. App. LEXIS 4169 (9th Cir. 2013) (summary judgment for defendant affirmed) ("Heroes").

contracts, to avoid the Circuit's obvious hostility to copyright claims. This was seen in *Benay v. Warner Bros.*, in which the Ninth Circuit dismissed the plaintiffs' copyright infringement claim, but let them proceed on their state law claim for breach of implied contract.[39] The fact that copyright plaintiffs have been forced to effectively abandon copyright claims as a viable means of protecting their intellectual property speaks to the Ninth Circuit's tilt against plaintiffs. As a result, plaintiffs who have the choice will have to file elsewhere, breeding forum shopping. As that Circuit is apparently unwilling to correct its aberrant pro-defendant doctrines such as the laches ruling below, only this Court can hope to rectify the Ninth Circuit's subversion of copyright claims.

* * * * *

In the case before the Court, the Ninth Circuit's unrestricted embrace of the laches defense continues its modern adverse trend against copyright plaintiffs. The division among the circuits on this issue, coupled with the Ninth Circuit's narrow application of the laches defense, leaves creators uncertain about when and where the defense applies and could lead to forum shopping. Clear guidance for all parties on the laches defense is warranted.

---

[39] *Benay*, 607 F.3d at 629, 633.

CONCLUSION

For the foregoing reasons, as well as for the reasons stated in the petition, the petition for writ of certiorari should be granted.

Respectfully submitted,

STEVEN T. LOWE
DANIEL B. LIFSCHITZ
LOWE & ASSOCIATES
11400 Olympic Blvd.
Suite 640
Los Angeles, CA 90064
(310) 477-5811

STEVEN W. SMYRSKI
Counsel of Record
SMYRSKI LAW GROUP, A P.C.
3310 Airport Ave., SW
Santa Monica, CA 90405
(310) 397-9118
steve@smyrski.com

Counsel for Amicus Curiae

June 3, 2013

JOINT APPENDIX

Supreme Court, U.S.
FILED
NOV 15 2013
OFFICE OF THE CLERK

No. 12-1315

In The Supreme Court of the United States

PAULA PETRELLA, PETITIONER

v.

METRO-GOLDWYN-MAYER, INC., ET AL., RESPONDENTS

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

JOINT APPENDIX

STEPHANOS BIBAS
Counsel of Record
UNIVERSITY OF PENNSYLVANIA LAW SCHOOL SUPREME COURT CLINIC
3501 Sansom Street
Philadelphia, PA 19104
(215) 746-2297
sbibas@law.upenn.edu

Counsel for Petitioner

MARK A. PERRY
Counsel of Record
GIBSON, DUNN & CRUTCHER LLP
1050 Connecticut Avenue, N.W.
Washington, DC 20036
(202) 955-8500
mperry@gibsondunn.com

Counsel for Respondents

PETITION FOR CERTIORARI FILED APR. 30, 2013
CERTIORARI GRANTED OCTOBER 1, 2013

Petrella v. *Metro-Goldwyn-Mayer Inc., et al.*

No. 12-1315

JOINT APPENDIX

TABLE OF CONTENTS

District Court Docket Sheet (Relevant Docket Entries) 1

Court of Appeals Docket Sheet (Relevant Docket Entries) 13

First Amended Complaint (May 22, 2009) 19

Declaration of Edward J. Slizewski in Support of Defendants' Motion for Summary Judgment (Sept. 25, 2009) 37

Declaration of David Grossman in Support of Defendants' Motion for Summary Judgment (Sept. 25, 2009) 43

- Exhibit A: 1976 Assignment of Rights to Chartoff-Winkler Productions 48
- Exhibit B: 1978 Assignment of Motion Picture Rights to United Artists 103
- Exhibit C: Deposition Transcript of Paula Petrella (excerpts) 108

Exhibit D: Letter from Plaintiff's Attorney to MGM (Sept. 1, 1998) 125

Exhibit E: Letter from MGM to Plaintiff's Attorney (Sept. 14, 1998) 128

Exhibit F: Letter from Plaintiff's Attorney to MGM (Nov. 12, 1998) 130

Exhibit G: Letter from Plaintiff's Attorney to MGM (June 16, 1999) 133

Exhibit H: Plaintiff's Amended Responses to Special Interrogatories (excerpts) 136

Exhibit I: 1963 Screenplay, "The Raging Bull (Jake LaMotta)" or "The Ice Pick and the Glove" (excerpt) 164

Exhibit J: Book *Raging Bull: My Story* (excerpts) 165

Exhibit K: 1973 Screenplay, "The Raging Bull" (excerpt) 193

Exhibit L: 1963 Copyright Registration Certificate for the 1963 Screenplay 194

Exhibit M: 1970 Copyright Registration Certificate for the Book 199

Exhibit N: 1973 Copyright Registration Certificate for the 1973 Screenplay 206

Exhibit O: Copyright Renewal Application for the 1963 Screenplay 210

Exhibit P: Copyright Renewal Application for the Book 214

Exhibit Q: Copyright Renewal Application for the 1973 Screenplay 219

Declaration of Plaintiff Paula Petrella in Opposition to Defendants' Motion for Summary Judgment (Oct. 13, 2009) 225

Exhibit 1: Internet Movie Database Online Information Page for "Peter Savage" (as of Oct. 7, 2009) 237

Exhibit 2: Letter from Martin Scorsese and Robert De Niro to Jay Goldberg (Mar. 26, 1979) 240

Exhibit 7: Letter from Peter Savage to Robert De Niro (Apr. 15, 1974) 241

Exhibit 8: Agreement Between Chartoff-Winkler and Peter Savage for His Services During Production of the Film (Oct. 15, 1977) 243

Exhibit 9: Letter from Peter Savage Enclosing the Book That Was Sold to Publisher Prentice-Hall (Mar. 15, 1978) 253

Exhibit 12: Letter from Martin Heller, Attorney for Jake LaMotta and Peter Savage (Nov. 17, 1980) 255

Exhibit 18: Letter from MGM to Plaintiff's Attorney (July 2, 1999) 257

Exhibit 19: Letter from Plaintiff's Attorney to MGM (Nov. 12, 1998) 258

Exhibit 20: Letter from Plaintiff's Attorney to MGM (Mar. 6, 2000) 264

Exhibit 21: Letter from MGM to Plaintiff's Attorney (Apr. 5, 2000) 266

Transcript of Hearing on Motion for Summary Judgment (Oct. 22, 2009) 268

Excerpts of Order Re: Defendants' Statement of Evidentiary Objections to Evidence Submitted by Plaintiff in Opposition to Defendants' Motion for Summary Judgment (Feb. 5, 2010) 288

Items in Appendix to Petition for Certiorari

District Court Opinion Granting Defendants' Motion for Summary Judgment (C.D. Cal. Feb. 3, 2010) ..... Pet. App. 28a

Panel Opinion, 695 F.3d 946 (9th Cir. Aug. 29, 2012) ..... Pet. App. 1a

Order Denying Rehearing En Banc (9th Cir. Jan. 30, 2013) ..... Pet. App. 49a

RELEVANT DOCKET ENTRIES for the UNITED STATES DISTRICT COURT for the CENTRAL DISTRICT OF CALIFORNIA
(Western Division – Los Angeles)
CIVIL DOCKET FOR CASE
#: 2:09-cv-00072-GW-MAN

Paula Petrella v. Metro-Goldwyn-Mayer, Inc. et al
Assigned to: Judge George H. Wu
Referred to: Magistrate Judge Margaret A. Nagle
Date Filed: 01/06/2009*

Date Filed	#	Docket Text
01/06/2009	1	COMPLAINT against Defendants DOES 1 through 10, inclusive, Metro-Goldwyn-Mayer, Inc., Metro-Goldwyn-Mayer Studios, Inc., Metro-Goldwyn-Mayer Home Entertainment, LLC, Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation, United Artists Corporation, 20th Century Fox Home Entertainment, LLC. (Filing fee $ 350 PAID.) Jury Demanded., filed by Plaintiff Paula Petrella. (et) (ds). (Entered: 01/09/2009)
02/27/2009	16	ANSWER to Complaint – (Discovery), Complaint – (Discovery) 1 filed by Defendants Metro-Goldwyn-Mayer, Inc.,

* All items listed as sealed, confidential, or pursuant to a protective order have since been unsealed by the district court.

		Metro-Goldwyn-Mayer Studios, Inc., Metro-Goldwyn-Mayer Home Entertainment, LLC, Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation, United Artists Corporation, 20th Century Fox Home Entertainment, LLC.(Catalano, Robert) (Entered: 02/27/2009)
05/22/2009	28	FIRST AMENDED COMPLAINT against defendants DOES 1 THORUGH [sic] 10 INCLUSIVE, Metro-Goldwyn-Mayer, Inc., Metro-Goldwyn-Mayer Studios, Inc., Metro-Goldwyn-Mayer Home Entertainment, LLC, Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation, United Artists Corporation, 20th Century Fox Home Entertainment, LLC amending Complaint – (Discovery), Complaint – (Discovery) 1, filed by plaintiff Paula Petrella (pj) (pj). (Entered: 05/27/2009)
05/29/2009	29	ANSWER to Amended Complaint, 28 *ANSWER TO PLAINTIFF'S FIRST AMENDED COMPLAINT* filed by Defendants Metro-Goldwyn-Mayer, Inc., Metro-Goldwyn-Mayer Studios, Inc., Metro-Goldwyn-Mayer Home Entertainment, LLC, Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation,

		United Artists Corporation, 20th Century Fox Home Entertainment, LLC.(Catalano, Robert) (Entered: 05/29/2009)
09/25/2009	38	NOTICE OF MOTION AND MOTION for Summary Judgment Metro-Goldwyn-Mayer, Inc., Metro-Goldwyn-Mayer Studios, Inc., Metro-Goldwyn-Mayer Home Entertainment, LLC, Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation, United Artists Corporation, 20th Century Fox Home Entertainment, LLC. Motion set for hearing on 10/22/2009 at 08:30 AM before Judge George H Wu. (Grossman, David) (Entered: 09/25/2009)
09/25/2009	39	MEMORANDUM in Support of MOTION for Summary Judgment 38 filed by Defendants Metro-Goldwyn-Mayer, Inc., Metro-Goldwyn-Mayer Studios, Inc., Metro-Goldwyn-Mayer Home Entertainment, LLC, Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation, United Artists Corporation, 20th Century Fox Home Entertainment, LLC. (Grossman, David) (Entered: 09/25/2009)
09/25/2009	40	STATEMENT of UNCONTROVERTED FACTS AND CONCLUSIONS OF LAW IN SUPPORT OF

		MOTION for Summary Judgment 38 filed by Defendants Metro-Goldwyn-Mayer, Inc., Metro-Goldwyn-Mayer Studios, Inc., Metro-Goldwyn-Mayer Home Entertainment, LLC, Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation, United Artists Corporation, 20th Century Fox Home Entertainment, LLC. (Grossman, David) (Entered: 09/25/2009)
09/25/2009	41	DECLARATION of EDWARD J. SLIZEWSKI In Support of MOTION for Summary Judgment 38 filed by Defendants Metro-Goldwyn-Mayer, Inc., Metro-Goldwyn-Mayer Studios, Inc., Metro-Goldwyn-Mayer Home Entertainment, LLC, Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation, United Artists Corporation, 20th Century Fox Home Entertainment, LLC. (Grossman, David) (Entered: 09/25/2009)
09/25/2009	43	DECLARATION of David Grossman In Support of MOTION for Summary Judgment 38 filed by Defendants Metro-Goldwyn-Mayer, Inc., Metro-Goldwyn-Mayer Studios, Inc., Metro-Goldwyn-Mayer Home Entertainment, LLC, Metro-Goldwyn-Mayer Home

		Entertainment Distribution Corporation, United Artists Corporation, 20th Century Fox Home Entertainment, LLC. (Attachments: # 1 Exhibit A through G, # 2 Exhibit H, # 3 Exhibit I (Part 1 of 2), # 4 Exhibit I (Part 2 of 2), # 5 Exhibit J (Part 1 of 3), # 6 Exhibit J (Part 2 of 3), # 7 Exhibit J (Part 3 of 3), # 8 Exhibit K (Part 1 of 3), # 9 Exhibit K (Part 2 of 3), # 10 Exhibit K (Part 3 of 3), # 11 Exhibit L through Q)(Grossman, David) (Entered: 09/25/2009)
09/29/2009	46	EXHIBIT R to THE DECLARATION OF DAVID GROSSMAN IN SUPPORT MOTION for Summary Judgment 38 filed by Defendants Metro-Goldwyn-Mayer, Inc., Metro-Goldwyn-Mayer Studios, Inc., Metro-Goldwyn-Mayer Home Entertainment, LLC, Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation, United Artists Corporation, 20th Century Fox Home Entertainment, LLC. (pj) (Entered: 10/02/2009)
10/13/2009	58	SEALED DOCUMENT – Plaintiff's Objections and Request to Strike Certain Evidence Submitted by Defendants in Support of Their Motion for Summary Judgment. (mat) (Entered: 10/19/2009)

10/13/2009	59	SEALED DOCUMENT – Declaration of Dr. Lew Hunter Submitted by Plaintiff Paula Petrella in Opposition to Motion for Summary Judgment. (mat) (Additional attachment(s) added on 10/19/2009: Part 2, Part 3) (mat). (Entered: 10/19/2009)
10/13/2009	60	SEALED DOCUMENT – Declaration of Eric Sherman Submitted by Plaintiff Paula Petrella in Opposition to Motion for Summary Judgment. (Attachments: Part 2, Part 3)(mat) (Entered: 10/19/2009)
10/13/2009	61	SEALED DOCUMENT – Declaration of Plaintiff Paula Petrella in Opposition to Motion for Summary Judgment. (Attachments: Part 2, Part 3, Part 4, Part 5, Part 6, Part 7, Part 8, Paert [sic] 9, Part 10, Part 11, Part 12, Part 13, Part 14, Part 15)(mat) (Entered: 10/19/2009)
10/13/2009	62	SEALED DOCUMENT – Statement of Genuine Issues of Plaintiff Paula Petrella in Opposition to Motion for Summary Judgment. (mat) (Entered: 10/19/2009)
10/13/2009	63	SEALED DOCUMENT – Memorandum of Points and Authorities of Plaintiff Paula Petrella in Opposition to Motion for

		Summary Judgment. (mat) (Entered: 10/19/2009)
10/13/2009	64	SEALED DOCUMENT – Declaration of Glen Kulik in Opposition to Motion for Summary Judgment. (mat) (Entered: 10/19/2009)
10/15/2009	53	NOTICE of Manual Filing filed by Defendants Metro-Goldwyn-Mayer, Inc., Metro-Goldwyn-Mayer Studios, Inc., Metro-Goldwyn-Mayer Home Entertainment, LLC, Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation, United Artists Corporation, 20th Century Fox Home Entertainment, LLC of DEFENDANTS' RESPONSE TO PLAINTIFF'S STATEMENT OF GENUINE ISSUES IN DISPUTE; DEFENDANTS' EVIDENTIARY OBJECTIONS TO HUNTER, SHERMAN, PETRELLA AND KULIK DECLARATIONS; SUPPLEMENTAL DECLARATION OF DAVID GROSSMAN FILED IN SUPPORT OF DEFENDANTS' MOTION FOR SUMMARY JUDGMENT AND EXHIBITS S THROUGH W THERETO. (Grossman, David) (Entered: 10/15/2009)
10/15/2009	54	REPLY In Support of MOTION for Summary Judgment 38 filed by Defendants Metro-Goldwyn-Mayer, Inc., Metro-Goldwyn-Mayer

		Studios, Inc., Metro-Goldwyn-Mayer Home Entertainment, LLC, Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation, United Artists Corporation, 20th Century Fox Home Entertainment, LLC. (Grossman, David) (Entered: 10/15/2009)
10/15/2009	55	Defendants' Opposition to Plaintiff's Objections and Request to Strike Evidence Submitted In Support of re: MOTION for Summary Judgment 38 filed by Defendants Metro-Goldwyn-Mayer, Inc., Metro-Goldwyn-Mayer Studios, Inc., Metro-Goldwyn-Mayer Home Entertainment, LLC, Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation, United Artists Corporation, 20th Century Fox Home Entertainment, LLC. (Grossman, David) (Entered: 10/15/2009)
10/20/2009	69	SEALED DOCUMENT – DECLARATION of DAVID GROSSMAN IN SUPPORT OF DEFENDANT'S MOTION for Summary Judgment (lra) (Entered: 10/21/2009)
10/20/2009	70	SEALED DOCUMENT – DEFENDANTS' EVIDENTIARY OBJECTIONS To Hunter, Sherman, Petrella and Kulik Declaration.(lra) (Entered: 10/21/2009)

10/20/2009	71	SEALED DOCUMENT – DEFNDANTS' [sic] RESPONSE To Plaintiff's Statement of Genuine Issues in Dispute. (lra) (Entered: 10/21/2009)
10/22/2009	77	MINUTES of Motion Hearing held before Judge George H Wu: Proceedings: Defendants' MOTION for Summary Judgment 38. For reasons stated on the record, Defendants' Motion for Summary Judgment is taken under submission. Court to issue ruling. Court Reporter: Wil Wilcox. (mg) Modified on 10/26/2009 (mg). (Entered: 10/26/2009)
02/03/2010	104	RULINGS by Judge George H Wu on Plaintiff's Evidentiary Objections and Request to Strike Certain Evidence Submitted by Defendants in Support of Their Motion for Summary Judgment. 1) Plaintiff's evidentiary objection to Paragraph 7 of the Declaration of Edward J. Slizewski is overruled. 2) Plaintiff's evidentiary objection to Paragraph 8 of the Declaration of Edward J. Slizewski is overruled. 3) Plaintiff's evidentiary objections to Fact Nos. 20, 23, 26, 27, 30, and 34 in Defendants' Statement of Facts are overruled. 4) Plaintiff's evidentiary objections to Fact Nos. 8, 9, 10, 11, 32, 33, 35, 36, 37, 38,

39, and 40 in Defendants' Statement of Facts are overruled. (mg) (Entered: 02/05/2010)

02/03/2010 105 STATEMENT OF DECISION on Defendants' 38 Motion for Summary Judgment by Judge George H Wu: Defendants' Motion for Summary Judgment is GRANTED on the basis of their affirmative defense of laches as to all three of Plaintiff's causes of action in her FAC. The Plaintiff's evidentiary objections are dealt with in a separate Ruling on Plaintiff's Evidentiary Objections and Request to Strike Certain Evidence Submitted by Defendants. Defendants are to prepare a proposed Judgment to be served on the Plaintiff and lodged with the Court by 2/10/10. (mg) (Entered: 02/05/2010)

02/05/2010 107 SEALED DOCUMENT – Order Re: Defendant's [sic] Statement of Evidentiary Objections to Evidence Submitted by Plaintiff in Opposition to Defendant's [sic] Motion for Summary Judgment. (mat) (Entered: 02/08/2010)

04/26/2010 139 MINUTES of Motion Hearing by Judge George H Wu: Defendants' 125 Motion for Attorney Fees 108 and Defendants' Motion for Sanctions are DENIED. The court signs the

		(proposed) judgment. Court Reporter: Wil Wilcox. (mg) (Entered: 04/28/2010)
04/26/2010	140	JUDGMENT by Judge George H Wu: IT IS HEREBY ORDERED AND ADJUDGED AND DECREED that, for reasons set forth in this Court's Statement of Decision dated February 3, 2010, all of Plaintiff's claims are hereby dismissed with prejudice, Defendants shall recover their costs from Plaintiff in an amount to be determined by the Court. (MD JS-6, Case Terminated). (mg) (Entered: 04/28/2010)
05/25/2010	143	NOTICE OF APPEAL to the 9th CCA filed by plaintiff Paula Petrella. Appeal of Order,, 104, Order on Request to Strike 107, Order on Motion for Summary Judgment,, 105, Judgment, 140. (Filing fee $455, receipt number 0973-7003883.) (Edelson, Alisa) (Entered: 05/25/2010)
05/26/2010	147	NOTICE OF APPEAL to the 9th CCA filed by Defendants 20th Century Fox Home Entertainment, LLC, Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation, Metro-Goldwyn-Mayer Home Entertainment, LLC, Metro-Goldwyn-Mayer Studios, Inc., Metro-Goldwyn-Mayer, Inc.,

		United Artists Corporation. (Filing fee $455, receipt number 0973-7013872.) (Grossman, David) (Entered: 05/26/2010)
9/5/2010	154	TRANSCRIPT for proceedings held on THURSDAY, OCTOBER 22, 2009; 10:28 AM. Court Reporter: Wil S. Wilcox, phone number 213-290-2849. Transcript may be viewed at the court public terminal or purchased through the Court Reporter before the deadline for Release of Transcript Restriction. After that date it may be obtained through PACER. Notice of Intent to Redact due within 7 days of this date. Redaction Request due 10/6/201. Redacted Transcript Deadline set for 10/16/2010. Release of Transcript Restriction set for 12/14/2010. (Wilcox, Wil)

Relevant Docket Entries for the United States Court of Appeals for the Ninth Circuit

Court of Appeals Docket #:	**Docketed:**
10-55834	05/25/2010

PAULA PETRELLA, an individual,

Plaintiff-Appellant,

v.

METRO-GOLDWYN-MAYER, INC., a corporation; METRO-GOLDWYN-MAYER STUDIOS, INC., a corporation; METRO-GOLDWYN-MAYER HOME ENTERTAINMENT, LLC, a limited liability company; METRO-GOLDWYN-MAYER HOME ENTERTAINMENT DISTRIBUTION CORPORATION, a corporation; UNITED ARTISTS CORPORATION, a corporation; 20TH CENTURY FOX HOME ENTERTAINMENT, LLC, a limited liability company,

Defendants-Appellees.

11/10/2010	12	Filed original and 7 copies of Appellant Paula Petrella (Informal: No) opening brief of 69 pages. Four copies Excerpts of record in 11 volumes. (opening brief and Vols. 6-11 of the excerpts of record are UNDER SEAL.) Served on 11/01/2010. [7541631] [10-55834, 10-55853] (PK)
01/13/2011	22	Filed Appellants METRO-GOLDWYN-MAYER STUDIOS, INC., Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation,

Metro-Goldwyn-Mayer Home Entertainment, LLC and Metro-Goldwyn-Mayer, Inc. in 10-55853, Appellees METRO-GOLDWYN-MAYER STUDIOS, INC., Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation, Metro-Goldwyn-Mayer Home Entertainment, LLC and Metro-Goldwyn-Mayer, Inc. in 10-55834 supplemental excerpts of record on appeal in 1 volumes. [7636461] [10-55853, 10-55834] (FT)

01/28/2011 19 Submitted (ECF) Second Brief on Cross-Appeal brief for review. Submitted by Appellants 20th Century Fox Home Entertainment, LLC, METRO-GOLDWYN-MAYER STUDIOS, INC., Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation, Metro-Goldwyn-Mayer Home Entertainment, LLC, Metro-Goldwyn-Mayer, Inc. and UNITED ARTISTS CORPORATION in 10-55853, Appellees 20th Century Fox Home Entertainment, LLC, METRO-GOLDWYN-MAYER STUDIOS, INC., Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation, Metro-Goldwyn-Mayer Home Entertainment, LLC, Metro-Goldwyn-Mayer, Inc. and UNITED ARTISTS CORPORATION in 10-55834. Date of service: 01/28/2011. [7629273] [10-55853, 10-55834] (DG)

01/31/2011 23 ENTRY UPDATED. Latest version starts with [Edited mm/dd/yyyy by clerk-initials], previous version starts here: Filed Appellees 20th Century Fox Home Entertainment, LLC, METRO-GOLDWYN-MAYER STUDIOS, INC., Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation, Metro-Goldwyn-Mayer Home Entertainment, LLC, Metro-Goldwyn-Mayer, Inc. and UNITED ARTISTS CORPORATION excerpts of record in 3 volumes. (excerpts Vols. 2-4. Vol. 1 was docketed on 1/31/2011. Vol. 4 is UNDER SEAL. CD's included titled RAGBU.) Served on 01/28/2011. [7637949] [10-55834, 10-55853] (PK)

02/28/2011 24 Submitted (ECF) Third Brief on Cross-Appeal for review. Submitted by Appellant Paula Petrella. Date of service: 02/28/2011. [7661718]-[COURT UPDATE: Edited docket text to reflect content of filing. Filing spread to case number: 10-55853. Resent NDA. 03/02/2011 by TT] (GLK)

03/28/2011 28 Submitted (ECF) Cross-Appeal Reply Brief brief [sic] for review. Submitted by Appellees 20th Century Fox Home Entertainment, LLC, METRO-GOLDWYN-MAYER STUDIOS, INC., Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation, Metro-Goldwyn-Mayer Home Entertainment, LLC, Metro-Goldwyn

Mayer, Inc. and UNITED ARTISTS CORPORATION in 10-55834, Appellants 20th Century Fox Home Entertainment, LLC, METRO-GOLDWYN-MAYER STUDIOS, INC., Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation, Metro-Goldwyn-Mayer Home Entertainment, LLC, Metro-Goldwyn-Mayer, Inc. and UNITED ARTISTS CORPORATION in 10-55853. Date of service: 03/28/2011. [7696906] [10-55834, 10-55853] (DG)

02/01/2012 40 ARGUED AND SUBMITTED TO WILLIAM A. FLETCHER, RAYMOND C. FISHER and JACK ZOUHARY. [8052577] [10-55834, 10-55853] (LN)

08/29/2012 43 FILED OPINION (WILLIAM A. FLETCHER, RAYMOND C. FISHER and JACK ZOUHARY) The parties shall bear their own costs on appeal. AFFIRMED. Judge: WAF Concurring, Judge: RCF Authoring, FILED AND ENTERED JUDGMENT. [8303244] [10-55834, 10-55853] (RP)

08/29/2012 44 Filed (ECF) Appellant Paula Petrella in 10-55834 petition for rehearing en banc (from 08/29/2012 opinion). Date of service: 08/29/2012. [8304842] [10-55834, 10-55853] (GLK)

09/25/2012 46 Filed (ECF) Appellant 20th Century Fox Home Entertainment, LLC in 10-55853, Appellees 20th Century Fox Home Entertainment, LLC, METRO-GOLDWYN-MAYER STUDIOS, INC., Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation, Metro-Goldwyn-Mayer Home Entertainment, LLC, Metro-Goldwyn-Mayer, Inc. and UNITED ARTISTS CORPORATION in 10-55834 response to Petition for Rehearing En Banc (ECF Filing),Petition for Rehearing En Banc (ECF Filing) for rehearing by en banc only (all active, any interested senior judges). Date of service: 09/25/2012. [8337307]. [10-55853, 1055834] (DG)

10/02/2012 47 Submitted (ECF) Reply brief for review and filed Motion to file supplemental brief. Submitted by Appellee Paula Petrella in 10-55853, Appellant Paula Petrella in 10-55834. Date of service: 10/02/2012. [8344316] [10-55853, 10-55834] (GLK)

01/30/2013 49 Filed order (WILLIAM A. FLETCHER, RAYMOND C. FISHER and JACK ZOUHARY) Judge W. Fletcher and Judge Fisher have voted to deny the petition for rehearing en banc, and Judge Zouhary so recommends. The full court has been advised of the petition for rehearing en banc and no judge has requested a vote on whether

		to rehear the matter en banc. Fed. R. App. P. 35. The petition for rehearing en banc, filed August 29, 2012, is DENIED. [8493487] [10-55834, 10-55853] (BJB)
02/08/2013	50	MANDATE ISSUED.(WAF, RCF and JZ) [8506619] [10-55834, 10-55853] (TB)
06/05/2013	56	Received notice from the Supreme Court: petition for certiorari filed on 04/30/2013. Supreme Court Number 12-1315. [8656017] [10-55834, 10-55853] (RR)
10/01/2013	57	Received Supreme Court order dated 10/01/2013. The petition for a writ of certiorari is granted. Supreme Court No: 12-1315. [8805509] [10-55834, 10-55853] (RR)

Glen Kulik, Esq. (SBN 82170) (gkulik@kgmslaw.com)
Alisa S. Edelson (SBN 216269)
(aedelson@kgmslaw.com)
KULIK, GOTTESMAN, MOUTON & SIEGEL, LLP
15303 Ventura Boulevard, Suite 1400
Sherman Oaks, California 91403
Telephone: (310) 557-9200; (818) 817-3600
Facsimile: (310) 557-0224

Attorneys for Plaintiff,
PAULA PETRELLA

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

PAULA PETRELLA, an individual, Plaintiff, v. METRO-GOLDWYN-MAYER, INC., a corporation; METRO-GOLDWYN-MAYER STUDIOS, INC., a corporation; METRO-GOLDWYN-MAYER HOME ENTERTAINMENT, LLC, a limited liability company; METRO-GOLDWYN-MAYER HOME ENTERTAINMENT DISTRIBUTION CORPORATION, a	**CASE NO. CV 09-0072 GW (MANx)** **FIRST AMENDED COMPLAINT FOR COPYRIGHT INFRINGEMENT, UNJUST ENRICHMENT, AND DEMAND FOR ACCOUNTING** [DEMAND FOR JURY TRIAL] Complaint filed: January 6, 2009 Trial Date: January 19, 2010

corporation; UNITED ARTISTS CORPORATION, a corporation; 20TH CENTURY FOX HOME ENTERTAINMENT, LLC, a limited liability company; and DOES 1 through 10, inclusive,

Defendants.

Plaintiff alleges:

1. This is a civil action for damages and injunctive relief in which it is alleged Defendants have committed, and continue to commit, copyright infringement in connection with their unauthorized exploitation of a motion picture entitled "Raging Bull," which is derived from Plaintiff's copyrighted screenplays and book of the same name.

JURISDICTION AND VENUE

2. This action arises under Section 501 of the Copyright Act, 17 U.S.C., § 501. The Court has jurisdiction over the subject matter of this action pursuant to 17 U.S.C. § 501 and 28 U.S.C. §§ 1331, 1332 and 1338(a), and supplemental jurisdiction under 28 U.S.C. §§ 1367(a) and 1338(a), (b).

3. Defendants, and each of them, are subject to the personal jurisdiction of this Court in that each Defendant has done substantial and continued business, and continues to do substantial and continuous

business in the state of California and has invoked the rights, benefits and privileges of California law.

4. Venue is proper pursuant to 28 U.S.C. § 1391(b) and (c).

THE PARTIES

5. Plaintiff Paula Petrella is an individual residing in the County of Los Angeles, State of California. She is the present owner of the copyrighted written works which are the subject of this action.

6. Defendant Metro-Goldwyn-Mayer, Inc. ("MGM") is a Delaware corporation with its principal place of business located in the County of Los Angeles, State of California.

7. Defendant Metro-Goldwyn-Mayer Studios, Inc. ("MGM Studios") is a Delaware corporation with its principal place of business located in the County of Los Angeles, State of California.

8. Defendant Metro-Goldwyn-Mayer Home Entertainment, LLC ("MGM Home") is a Delaware limited liability company with its principal place of business located in the County of Los Angeles, State of California. Upon information and belief, Plaintiff alleges MGM Home is a wholly owned subsidiary of MGM or MGM Studios that distributes motion pictures released on VHS cassettes, DVDs, laser discs and/or Blu-ray discs.

9. Defendant Metro-Goldwyn-Mayer Home Entertainment Distribution Corporation ("MGM Distribution") is a Delaware limited liability company with its principal place of business located in the County of Los Angeles, State of California. Upon information and belief, Plaintiff alleges MGM Distribution is a wholly owned subsidiary of MGM or MGM Studios that distributes motion pictures released on VHS cassettes, DVDs, laser discs and/or Blu-ray discs.

10. Defendant United Artists Corporation ("UA") is a Delaware corporation with its principal place of business located in the County of Los Angeles, State of California. Upon information and belief, Plaintiff alleges UA is a wholly owned subsidiary of MGM or MGM Studios.

11. Defendant 20th Century Fox Home Entertainment LLC ("Fox") is a Delaware corporation with its principal place of business located in the County of Los Angeles, State of California. Upon information and belief, Plaintiff alleges Fox distributes and/or assists MGM Home and/or MGM Distribution in the distribution of motion pictures released on VHS cassettes, DVDs, laser discs and/or Blu-ray discs.

12. The true names and capacities, whether individual, corporate, or otherwise, of Defendants sued as Does 1 through 10 are unknown to Plaintiff, who, therefore, sue them by such fictitious names. At such time as their true names and capacities have been ascertained, Plaintiff will seek leave of the Court to amend this Complaint accordingly. In information

and belief, Plaintiff alleges that each of Does 1 through 10 are liable to Plaintiff in connection with one or more claims sued upon here and are responsible in some manner for the wrongful acts and conduct alleged here.

13. At all times mentioned in this Complaint each Defendant was the agent, servant, and employee of each other Defendant, acting within the course and scope of his, her or its agency, partnership and/or employment with the other, and with full knowledge, consent and ratification of each other Defendant.

GENERAL ALLEGATIONS

Plaintiff's Copyrighted Works: "The Raging Bull" Screenplays and Book.

14. Frank Salvatore Petrella ("Frank Petrella") and Jake LaMotta ("LaMotta") were childhood friends who grew up together in the Bronx, New York. They remained close friends until Frank Petrella passed away in 1981.

15. In or about 1963, Frank Petrella, under the pseudonym "Frank Peter Petrella," wrote a screenplay about LaMotta's life as a champion boxer and the friendship between Frank Petrella and LaMotta entitled "The Raging Bull, Jake LaMotta; or The Ice Pick and The Glove" ("1963 Screenplay").

16. Frank Petrella registered a copyright in and to the 1963 Screenplay in the name of "Frank Peter

Petrella" with the United States Copyright Office on October 9, 1963.

17. In or about 1970, Frank Petrella, under the pseudonym "Peter Savage," along with LaMotta and Joseph Carter ("Carter"), wrote a book entitled "Raging Bull: My Story" (the "Book").

18. A copyright in and to the Book was registered in or about July 1970.

19. In or about 1973, Frank Petrella, under the pseudonym "Emmett Clary," wrote a second screenplay entitled "The Raging Bull" ("1973 Screenplay").

20. Frank Petrella registered a copyright in and to the 1973 Screenplay under the name "Frank Peter Petrella a/k/a Peter Savage" in or about July 1973.

Assignment of Plaintiff's Copyrighted Works and Release of Motion Picture

21. Pursuant to a written agreement dated November 19, 1976 ("Agreement"), Frank Petrella assigned his right, title and interest in the 1963 Screenplay, the 1973 Screenplay, and the Book to Chartoff-Winkler Productions, Inc. ("CWP"). Pursuant to the Agreement, LaMotta also assigned his rights, title and interest in the Book to CWP.

22. LaMotta and Frank Petrella entered into the Agreement with CWP for purposes of developing a motion picture based on these copyrighted works

starring Robert Deniro [sic] and directed by Martin Scorsese.

23. On or about October 15, 1977, Frank Petrella entered into a second written agreement with CWP whereby Frank Petrella agreed to provide services in connection with development of a film which was to include assisting Robert DeNiro in training to be a fighter for the motion picture and providing production services. Frank Petrella ultimately provided such services and was credited as a producer of the motion picture "Raging Bull."

24. Upon information and belief, Plaintiff alleges UA acquired the motion picture rights to "Raging Bull" pursuant to a written assignment whereby CWP assigned all of its rights, interest and title to the 1963 Screenplay, 1973 Screenplay, and the Book to UA sometime in or about September 1978.

25. In or about September 1980, UA registered a copyright in and to the motion picture entitled "Raging Bull" ("Motion Picture").

26. In or about November 1980, UA released in theaters the Motion Picture starring Robert DeNiro and directed by Martin Scorsese. The Motion Picture is based on the 1963 Screenplay, 1973 Screenplay, and the Book and as such is a derivative work pursuant to 17 U.S.C. § 106.

27. The Motion Picture was nominated for eight Academy Awards and won two Academy Awards for best actor and best film editing. It is frequently

acknowledged by film societies and critics as one of the greatest films ever produced.

Reversion of Rights in Copyrighted Works to Frank Petrella's Heirs

28. Frank Petrella died in December 1981 during the original term of the copyrights for the 1963 Screenplay, 1973 Screenplay, and the Book. At the time of his death, Frank Petrella was survived by his wife Eleanor Petrella, his son Peter E. Petrella, and his daughter Paula Petrella (Plaintiff). Frank Petrella left his literary properties (including the 1963 Screenplay, 1973 Screenplay, and the Book) to his wife Eleanor Petrella and his children.

29. By virtue of the death of Frank Petrella during the original copyright periods of the 1963 Screenplay, 1973 Screenplay and the Book, the renewal rights in such written works were deemed to be owned by Frank Petrella's heirs under the holding of the United States Supreme Court in *Stewart v. Abend*, 495 U.S. 207 (1990). Under the holding of that case, when an author dies before a copyright renewal period arrives his successors are entitled to the renewal rights even though the author previously assigned such rights to another party. Thus, the copyrights in all three works were eventually renewed in the name of Frank Petrella's heirs including Plaintiff.

30. Eleanor Petrella died in January 2005. She left her estate including her interest in Frank

Petrella's literary properties to Peter E. Petrella and Paula Petrella (Plaintiff), and the latter became administrator of her mother's estate.

31. Subsequently, Peter E. Petrella assigned to Plaintiff all of his right, title and interest (including the current copyrights) in and to the 1963 Screenplay, 1973 Screenplay, and the Book.

32. Plaintiff owns all rights, titles and interests in and to the 1963 Screenplay and the 1973 Screenplay as well as the Book subject to Jake LaMotta's interest as a joint author of the Book.

Infringement of Plantiff's [sic] Copyrighted Works

33. Beginning in or about 1993, Defendants released the Motion Picture for reproduction, marketing, distribution and sale in the form of laser discs. Upon information and belief, Plaintiff alleges Defendants continue to sell these laser discs as of this date.

34. Beginning in or about May 1996 and continuing to this date, Defendants released the Motion Picture for reproduction, marketing, distribution and sale in the form of VHS cassettes.

35. Beginning in or about January 2000 and continuing to this date, Defendants released the Motion Picture for reproduction, marketing, distribution and sale in the form of DVDs. Defendants have sold and distributed the Motion Picture as a single disc edition and two disc special edition set ("Special

Edition DVDs") (collectively "DVDs"). The DVDs have also been sold as part of DVD box sets including but not limited to such box sets entitled "UA 90th Anniversary Prestige Collection," "The Martin Scorsese Film Collection," "Sports Gift Set," and "The Ultimate Sports Gift Set."

36. Defendants have made the Special Edition DVDs available for purchase on the website located at www.ragingbulldvd.com. MGM Studios owns the domain name "ragingbulldvd.com."

37. Beginning in or about February 2009 and continuing to this date, Defendants released the Motion Picture for reproduction, marketing, distribution and sale in the form of Blu-ray discs.

38. Upon information and belief, Plaintiff alleges Defendants have also marketed, produced, copied, released, and distributed the Motion Picture on VHS cassettes, DVDs, laser discs, and Blu-ray discs for purchase in English and foreign languages in the United States and other countries including Canada.

39. Defendants continue to license the Motion Picture to air on television from time to time and continue to exploit the Motion Picture in other ways all to their advantage and profit.

CLAIMS FOR RELIEF

COUNT I

(Against All Defendants for Copyright Infringement)

40. Plaintiff realleges and incorporates by reference paragraphs 1 through 39 inclusive, as though fully set forth herein.

41. Plaintiff is the owner of all rights, titles, and interests, including the copyrights, in and to the 1963 Screenplay and the 1973 Screenplay as well as the Book subject to LaMotta's divisible interest as a joint author.

42. Plaintiff has registered her ownership of the 1963 Screenplay, 1973 Screenplay, and the Book with the United States Copyright Office.

43. The Motion Picture is based on and a derivative work of the 1963 Screenplay, 1973 Screenplay, and the Book. In turn, the Book and 1973 Screenplay are based on and derivative works of the 1963 Screenplay.

44. Plaintiff has the exclusive right to prepare derivative works based upon the copyrighted works the 1963 Screenplay and 1973 Screenplay as well as the Book subject to LaMotta's divisible interest as a joint author.

45. At no time has Plaintiff authorized Defendants, or any of them, to republish, create, release, distribute derivative works or otherwise exploit all or

any portion of the 1963 Screenplay, 1973 Screenplay, and the Book subject to Jake LaMotta's divisible interest as a joint author in connection with the copying, sale and distribution of the laser discs, VHS cassettes, DVDs, or Blu-ray discs or the licensing of the Motion Picture for airing on television and in other mediums.

46. Defendants' copying, use, modification, production, and distribution of elements of the 1963 Screenplay, 1973 Screenplay, and the Book subject to LaMotta's divisible interest as a joint author, including without limitation, the plot, text, ideas, theme, expression of concepts contained therein and any and all derivatives thereof, constitutes a violation of 17 U.S.C. §§ 106 and 501.

47. Pursuant to Defendants' participation in the copying, use, modification, production, release, and/or distribution of the Motion Picture in the form of VHS cassettes, laser discs, DVDs, or Blu-ray discs, Defendants knowingly and willfully infringed and will continue to infringe Plaintiff's copyrights in the 1963 Screenplay, 1973 Screenplay, and the Book subject to LaMotta's divisible interest as a joint author.

48. Plaintiff is entitled to recover from Defendants the damages sustained as a direct and proximate result of Defendants' acts of copyright infringement within the limitations period prescribed by law. Plaintiff is at present unable to ascertain the full extent of the monetary damage she has suffered by reason of Defendants' acts of copyright infringement,

but Plaintiff is informed and believes, and on the basis of such information and belief alleges, that Plaintiff has sustained such damage in an amount exceeding $1,000,000.

49. Plaintiff is further entitled to recover from Defendants the gains, profits and advantages they have obtained as a result of Defendants' acts of copyright infringement. Plaintiff is at present unable to ascertain the full extent of the gains, profits and advantages Defendants have obtained by reason of their acts of copyright infringement, but Plaintiff is informed and believes, and on the basis of such information and belief alleges, that Defendants have obtained such gains, profits and advantages in an amount exceeding $1,000,000.

50. Plaintiff is also entitled to injunctive relief under the Copyright Act in order to restrain future acts of copyright infringement by Defendants.

COUNT II

(Against All Defendants for Unjust Enrichment)

51. Plaintiff realleges and incorporates by reference paragraphs 1 through 31 and 33-39 as though fully set forth herein.

52. Plaintiff is a co-owner of all rights, titles, and interests, including the copyrights, in and to the Book.

53. Plaintiff has registered her ownership of the Book with the United States Copyright Office.

54. Defendants claim to be a co-owner with Plaintiff of all rights, titles and interests, including the copyrights, in and to the Book pursuant to the written assignments by LaMotta and CWP.

55. The Motion Picture is based on and is a derivative work of the Book.

56. If Plaintiff and Defendants are deemed to be co-owners, they share the right to prepare derivative works based upon the copyrighted Book.

57. The conduct of Defendants, and each of them, in selling and continuing to sell the Motion Picture in various formats including, but not limited to, laser discs, VHS cassettes, DVDs, and Blu-ray discs has secured, and will secure, value to Defendants which unjustly enriches and benefits Defendants to Plaintiff's detriment.

58. To accomplish justice and equity, Defendants should be forced to disgorge any amount of money unjustly earned or retained by Defendants owed to Plaintiff in her capacity as a co-owner of the Book.

COUNT III

(Against All Defendants for Demand for Accounting)

59. Plaintiff realleges and incorporates by reference paragraphs 1 through 31, 33-39, and 52-58, as though fully set forth herein.

60. As alleged herein, Defendants are obligated to accurately and fully account to Plaintiff as the other co-owner of the Book for all monies derived from the sale of the Motion Picture as a derivative work of the Book.

61. The amount of money due from Defendants is unknown to Plaintiff and cannot be ascertained without an accounting of Defendants' financial records related to Defendants' unlawful activities arising out of the sale, licensing and/or distribution of the Motion Picture.

62. As a result of Defendants' unlawful conduct, Plaintiff has been damaged in an amount to be proven after an accounting has been conducted.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment as follows:

As to Count I:

1. For Plaintiff's damages derived by Defendants from their copyright infringement believed to exceed $1,000,000 according to proof;

2. For attorneys' fees and costs pursuant to Section 505 of the Copyright Act of 1976, 17 U.S.C. § 505;

3. Prejudgment interest;

4. A cancellation of the copyright ownership in and to the Motion Picture by any Defendant;

5. A transfer of copyright ownership in and to Motion Picture to Plaintiff;

6. For interim and permanent injunctive relief restraining future violations of Plaintiff's copyrights;

As to Count II:

7. General and special damages in an amount believed to exceed $1,000,000 according to proof;

8. Upon a determination of the sum due to Plaintiff, demand is made that such sum be paid to Plaintiff;

9. Interests at the maximum legal rate from the date said sums were due;

As to Count III:

10. A full and complete accounting from Defendants of the sums of money derived by Defendants, directly and/or indirectly, in connection with the sale, licensing and/or distribution of the Motion Picture including, without limitation, to the sale of the Motion Picture in various formats such as laser discs, VHS cassettes, DVDs, and Blu-ray discs in order to determine the amount owed to Plaintiff;

11. Interests at the maximum legal rate from the date said sums were due; and

As to All Counts:

12. For such other and further relief as the Court deems just and appropriate.

Dated: May 22, 2009

KULIK, GOTTESMAN, MOUTON & SIEGEL, LLP

By: /s/ Alisa S. Edelson
Glen L. Kulik
Alisa S. Edelson
Attorneys for Plaintiff
PAULA PETRELLA

DEMAND FOR JURY TRIAL

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, Plaintiff Paula Petrella hereby demands a trial by jury on all issues raised by the pleadings in this case.

Dated: May 22, 2009

KULIK, GOTTESMAN, MOUTON & SIEGEL, LLP

By: /s/ Alisa S. Edelson
Glen L. Kulik
Alisa S. Edelson
Attorneys for Plaintiff
PAULA PETRELLA

DAVID GROSSMAN (SBN 211326)
dgrossman@loeb.com
ROBERT J. CATALANO (SBN 240654)
rcatalano@loeb.com
LOEB & LOEB LLP
10100 Santa Monica Boulevard, Suite 2200
Los Angeles, California 90067-4120
Tel: 310-282-2000/Fax: 310-282-2200

Attorneys for Defendants

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

PAULA PETRELLA, an individual Plaintiff, v. METRO-GOLDWYN-MAYER INC., a corporation; METRO-GOLDWYN-MAYER STUDIOS, INC., a corporation; METRO-GOLDWYN-MAYER HOME ENTERTAINMENT, LLC, a limited liability company; METRO-GOLDWYN-MAYER HOME ENTERTAINMENT DISTRIBUTION CORPORATION, a corporation; UNITED ARTISTS CORPORATION, a corporation; 20TH CENTURY FOX HOME ENTERTAINMENT, LLC, a limited liability company; and DOES 1 THROUGH 10, inclusive Defendants.	Case No. CV 09-0072 GW (MANx) Assigned to the Hon. George H. Wu **DECLARATION OF EDWARD J. SLIZEWSKI IN SUPPORT OF DEFENDANTS' MOTION FOR SUMMARY JUDGMENT** (Filed Sep. 25, 2009)

DECLARATION OF EDWARD J. SLIZEWSKI

I, Edward J. Slizewski, declare:

1. I am the Senior Vice President for Participations & Residuals for defendant Metro-Goldwyn-Mayer Studios Inc. ("MGM"). I am also an employee of Metro-Goldwyn-Mayer Inc., the parent company of MGM. Metro-Goldwyn-Mayer Inc., through its subsidiary, MGM, also is the ultimate owner of defendants Metro-Goldwyn-Mayer Home Entertainment LLC, MGM Home Entertainment Distribution Corp., and United Artists Corporation (the entities referred to in this paragraph are collectively referred to herein as the "MGM Entities"). I have personal knowledge of all of the following facts and, if called as a witness, could and would competently testify thereto.

2. I am responsible for overseeing, among other things, the calculation and payment of participations and residuals paid in connection with motion pictures distributed by the MGM Entities. Participations are the amounts paid by a studio to third parties (e.g., talent, production companies, co-financiers) with respect to the distribution of a particular motion picture pursuant to the terms of the applicable agreement with such parties. Similarly, residuals are amounts paid by a studio to various guilds (e.g., the Screen Actors Guild) or guild members for a particular project pursuant to the terms of the applicable collective bargaining agreement. Because the calculation of participations and residuals is based upon, among other things, revenues

derived from distribution of motion pictures owned and/or distributed by the MGM Entities, as well as expenses incurred in production and distribution thereof, I access company business records concerning revenues and expenses and utilize such information on a daily basis.

3. Specifically, I am familiar with those participations and residuals paid in connection with the motion picture "Raging Bull" (the "Film") that is the subject of this action. The Film is owned by the MGM Entities and has been ever since MGM's predecessor-in-interest, United Artists Corporation, first distributed the Film in 1980. In the course of determining the amounts of participations and residuals distributed in connection with a film, and with the Film in particular, it is necessary for me to have access to business records concerning, and to be familiar with, the expenditures made or incurred by the MGM Entities in connection with production and distribution of the Film (including, by way of illustration, advertising and marketing costs, and mastering and other technical services-related expenses), as well as the monies collected by the MGM Entities as a result of their distribution efforts.

4. Since 1991, the MGM Entities have distributed the Film on a continuous basis in the United States and abroad, and have expended substantial financial and other resources as a part of this effort. The expenses incurred by the MGM Entities include costs related to marketing, advertising, distributing and otherwise promoting the Film in various media.

The MGM Entities have also invested in the Film by maintaining its physical elements and converting it to various formats, including DVD, Blu-Ray and High Definition.

5. In order to determine the expenses incurred by the MGM Entities with respect to a particular film, I would ordinarily access the business records maintained in the company's general ledger. I have occasion to access these records on a daily basis and rely upon these records in the ordinary course of my duties. I personally accessed these records and determined that, during the last 18 years, the MGM Entities have spent nearly $8.5 million to advertise, promote and distribute the Film in the United States alone. I have personally generated and reviewed the relevant reports relating to the Film and, on September 18, 2009, I also testified in detail regarding the expenses incurred by the MGM Entities relating to the Film.

6. Notably, during 2004 and 2005, the MGM Entities spent approximately $3 million to create, promote and distribute a 25th Anniversary Edition of the Film that was released in 2005. In 2008 and early 2009, the MGM Entities incurred more than $100,000 in costs to convert Raging Bull to the Blu-Ray format, and to promote, market and distribute the Film in that medium.

7. These activities and expenditures were made based on the understanding and belief that the MGM Entities have complete ownership and control of the

Film. It is my understanding that the Plaintiff, Ms. Petrella, is now claiming that she has had the right to prevent the MGM Entities from distributing the Film since 1991, and that she is entitled to some or all of the money earned from distribution of the Film during the last several years. As far as I am aware, no lawsuit was ever filed against any of the MGM Entities between 1991 and 2009 and, thus, the MGM Entities have been operating, at all times, with the understanding and belief that they continue to hold valid and exclusive rights to distribute and otherwise exploit the Film.

8. Had Ms. Petrella filed suit in 1991 (or 1998), the MGM Entities would have had an opportunity to litigate this claim prior to making these various and significant investments in the Film. Because no such suit was filed prior to 2009, the MGM Entities were deprived of this opportunity.

9. During the last two decades, the MGM Entities also have entered into numerous agreements to license the Film, including various agreements in which television networks (including the Encore and HBO pay television platforms) are authorized to broadcast the Film through 2015. License agreements relating to future distribution also have been entered into (prior to the institution of this lawsuit) and provide for the Film to be distributed through defendant Twentieth Century Fox Home Entertainment LLC.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on September 25, 2009, at Los Angeles, California.

/s/ [Illegible]
Edward J. Slizewski

DAVID GROSSMAN (SBN 211326)
dgrossman@loeb.com
ROBERT J. CATALANO (SBN 240654)
rcatalano@loeb.com
LOEB & LOEB LLP
10100 Santa Monica Boulevard, Suite 2200
Los Angeles, California 90067-4120
Telephone: 310-282-2000
Facsimile: 310-282-2200

JONATHAN ZAVIN (Admitted *pro hac vice*)
jzavin@loeb.com
LOEB & LOEB LLP
345 Park Avenue
New York, New York 10154-1895
Telephone: 212-407-4000
Facsimile: 212-407-4990

Attorneys for Defendants

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

PAULA PETRELLA, an individual Plaintiff, v. METRO-GOLDWYN-MAYER INC., a corporation; METRO-GOLDWYN-MAYER STUDIOS, INC., a corporation; METRO-GOLDWYN-MAYER HOME ENTERTAINMENT, LLC, a limited liability company; METRO-GOLDWYN-MAYER HOME ENTERTAINMENT	) Case No. CV 09-) 0072 GW (MANx))) Assigned to the) Hon. George H. Wu)) **DECLARATION**) **OF DAVID**) **GROSSMAN IN**) **SUPPORT OF**) **DEFENDANTS'**) **MOTION FOR**) **SUMMARY**) **JUDGMENT**

DISTRIBUTION CORPORATION, a corporation; UNITED ARTISTS CORPORATION, a corporation; 20TH CENTURY FOX HOME ENTERTAINMENT, LLC, a limited liability company; and DOES 1 THROUGH 10, inclusive Defendants.	) Date:) October 22, 2009) Time: 8:30 a.m.) Courtroom: 10

DECLARATION OF DAVID GROSSMAN

I, David Grossman, declare:

1. I am an attorney at law licensed to practice before all of the Courts of the State of California, and before this Court. I am a partner in the law firm of Loeb & Loeb LLP, counsel for the defendants in this action. I have personal knowledge of all of the following facts and, if called as a witness, could and would competently testify thereto.

2. Attached hereto as Exhibit A is a true and correct copy of an agreement dated November 19, 1976, among Jake LaMotta, Peter Savage (a/k/a Frank Peter Petrella) and Chartoff-Winkler Productions, Inc.

3. Attached hereto as Exhibit B is a true and correct copy of an agreement dated September 26, 1978, between United Artists Corporation and Chartoff-Winkler Productions, Inc.

4. Attached collectively hereto as Exhibit C are true and correct excerpts from the deposition transcript of Paula Petrella taken on July 22, 2009.

5. Attached hereto as Exhibit D is a true and correct copy of a letter dated September 1, 1998, from Plaintiff's attorney to Metro-Goldwyn-Mayer Studios, Inc. (identified on the letter as "MGM/UA Entertainment Company").

6. Attached hereto as Exhibit E is a true and correct copy of a letter dated September 14, 2009, from Metro-Goldwyn-Mayer Studios, Inc. to Plaintiff's attorney.

7. Attached hereto as Exhibit F is a true and correct copy of a letter dated November 12, 1998, from Plaintiff's attorney to Metro-Goldwyn-Mayer Studios, Inc. (identified on the letter as "MGM/UA Entertainment Company").

8. Attached hereto as Exhibit G is a true and correct copy of a letter dated June 16, 1999, from Plaintiff's attorney to Metro-Goldwyn-Mayer Studios, Inc. (identified on the letter as "MGM/UA Entertainment Company").

9. Attached hereto as Exhibit H is a true and correct copy of Plaintiff's Amended Responses to Special Interrogatories Nos. 1-4, 6 and 7, served on Defendants on June 9, 2009.

10. Attached hereto as Exhibit I is a true and correct copy of a screenplay dated on or about October

9, 1963, entitled "The Raging Bull (Jake LaMotta)" or "The Ice Pick and the Glove."

11. Attached hereto as Exhibit J is a true and correct copy of a book dated 1970 entitled "Raging Bull – My Story."

12. Attached hereto as Exhibit K is a true and correct copy of a screenplay entitled "The Raging Bull."

13. Attached hereto as Exhibit L is [a] true and correct copy of a copyright registration form dated October 1963 for the screenplay entitled "The Raging Bull (Jake LaMotta)" or "The Ice Pick and the Glove".

14. Attached hereto as Exhibit M is a true and correct copy of a copyright registration form dated July 1970 for the book entitled "Raging Bull – My Story."

15. Attached hereto as Exhibit N is a true and correct copy of a copyright registration form dated July 1973 for the screenplay entitled "The Raging Bull."

16. Attached hereto as Exhibit O is a true and correct copy of a renewal application dated March 1991 for the copyright to the screenplay entitled "The Raging Bull (Jake LaMotta)" or "The Ice Pick and the Glove".

17. Attached hereto as Exhibit P is a true and correct copy of a renewal application dated November

2008 for the copyright to the book entitled "Raging Bull – My Story."

18. Attached hereto as Exhibit Q is a true and correct copy of a renewal application dated November 2008 for the copyright to the screenplay "The Raging Bull."

19. Filed concurrently herewith as Exhibit R is a true and correct copy of the motion picture, "Raging Bull" which was included on the special edition Raging Bull DVD, released on or about February 8, 2005, by Metro-Goldwyn-Mayer Studios, Inc.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on September 25, 2009, at Los Angeles, California.

/s/ David Grossman
David Grossman

EXHIBIT A
FILED UNDER SEAL*

CONFIDENTIAL –
PURSUANT TO PROTECTIVE ORDER

Dated: November 19, 1976

Messrs. Jake LaMotta and Peter Savage
c/o Regan, Goldfarb, Heller, Wetzler & Quinn
445 Park Avenue
New York, New York 10022

Re: "RAGING BULL"

Gentlemen:

This is to confirm the terms of the Agreement between you (hereinafter individually and collectively referred to as the "Owner") and us (hereinafter referred to as "Purchaser") regarding the acquisition by Purchaser of all the motion picture and certain allied rights in and to that certain literary material in the form of a published work (the "Published Work") entitled "RAGING BULL" written by Jake LaMotta, Peter Savage and Joseph Carter (hereinafter individually and collectively referred to as the "Author"), and in and to those certain screenplays based on the said work which were written in 1963 and 1973 by Emmett Cleary [sic] and Peter Savage under the pseudonym, of Frank Peter Petrillo [sic] (which screenplays are hereinafter referred to as the "Petrillo [sic] Screenplays"). Said literary material and the Petrillo [sic]

---

*All items listed as sealed, confidential, or pursuant to a protective order have since been unsealed by the district court.

Screenplays, together with the title thereof and all characters (to the extent that Owner has the rights therein), situations, incidents, events, themes and plots contained therein and all versions, arrangements and adaptations thereof, and each and every part of all of the aforesaid whether now or hereafter written, are herein collectively referred to as the "Property".

1. (a) Owner hereby grants to Purchaser, exclusively and forever, including all periods of copyright and renewals and extensions thereof, subject only to the provisions of Paragraph 22 below, all rights of whatsoever kind and nature, under copyright and otherwise, throughout the universe in and to the Property (except for those rights specifically reserved to Owner pursuant to Paragraph 2 below) including, without limitation, all motion picture rights (including all silent, sound, dialogue and musical, sequel and remake motion picture rights) all television motion picture and other television rights (other than live television rights); all merchandising rights (to the extent Owner has such rights); all musical rights (including, without limitation, soundtrack album and music publishing rights); the right to publish serializations, synopses, stories, excerpts and summaries of the Published Work or the productions based thereon which serializations, synopses, stories, excerpts and summaries shall not contain more than 7,500 words from the Published Work, the right for the purpose of advertising and exploiting any motion pictures or other versions of the Published Work to broadcast and/or transmit by means of television or radio or any process analogous thereto whether now known or

hereafter devised, excerpts from the Property or any adaptation or version thereof, including any motion picture or other version or versions thereof [provided that in no single radio or live television program shall there be used such excerpts from the Published Work of such length which shall in and of themselves, exclusive of lead-ins, bridges, descriptions of the plot, characters and backgrounds, require more than ten (10) minutes of normal broadcast time] and announcements of or concerning said motion picture or other version or versions, which broadcasts or transmissions may be accomplished, through the use of living actors performing simultaneously with such broadcast or transmission or by any other method or means including the use of motion pictures (including trailers) reproduced on film or by means of magnetic tape or wire or through the use of other recordings or transcriptions; together with all copyrights and extensions and renewals of copyrights in and to each and all of the foregoing. The rights granted to Purchaser hereunder are hereinafter collectively called the "Rights".

(b) As part of and included in the Rights, Owner and Jake LaMotta individually, hereby grant to Purchaser the right to portray, impersonate, simulate and depict Mr. LaMotta under his own name (or any other name he has used) in any situations which may be wholly or partly factual and/or fictional and with any combination of actual or other utterances and any gestures, acts and postures which Purchaser may in its sole discretion wish to include therein, using for such purpose any performer whether or not

resembling Mr. LaMotta; and to use for the purposes of this Agreement incidents from Mr. LaMotta's life story and to fictionalize the same. In order that Purchaser may feel free to produce motion pictures hereunder and otherwise to exercise its rights hereunder in the manner that it deems best, Mr. LaMotta hereby agrees that he will not make, institute, assert or maintain against Purchaser, or anyone who may produce, distribute, exhibit, publicize or advertise any production hereunder in any part of the world, any claims, suits, actions or demands whatsoever based on the ground that anything contained in such production or in the advertising or publicity thereof libels, slanders or defames him. Mr. LaMotta hereby waives, releases and relinquishes any rights or remedies which he may have relating to any so-called right of privacy, or under Sections 50 and 51 of the New York Civil Rights Act, or under similar statutes, rulings, ordinances, or regulations of any jurisdiction or relating to libel, slander or defamation, or relating to any other cause whatsoever, with respect to any matter or thing contained in any production hereunder or in the advertising or publicity thereof.

(c) As part of and included in the Rights, Owner, and Peter Savage individually, hereby grant to Purchaser the right to portray, simulate and depict Mr. Savage, under his own or any fictitious name in any situations which may be wholly or partly factual and/or fictional and with any combination of actual or other utterances and any gestures, acts and postures which Purchaser may in its sole discretion wish to include therein, using for such purpose any performer

whether or not resembling Mr. Savage; and to use for the purposes of this Agreement incidents from Mr. Savage's life story and to fictionalize the same. In order that Purchaser may feel free to produce motion pictures hereunder and otherwise to exercise its rights hereunder in the manner that it deems best, Mr. Savage hereby agrees that he will not make, institute, assert or maintain against Purchaser, or anyone who may produce, distribute, exhibit, publicize or advertise any production hereunder in any part of the world, any claims, suits, actions or demands whatsoever based on the ground that anything contained in such production or in the advertising or publicity thereof libels, slanders or defames him. Mr. Savage hereby waives and relinquishes any rights or remedies which he may have relating to any so-called right of privacy, or under Sections 50 and 51 of the New York Civil Rights Act, or under similar statutes, rulings, ordinances or regulations of any jurisdiction, or relating to libel, slander or defamation, or relating to any other cause whatsoever, with respect to any matter or thing contained in any production hereunder or in the advertising or publicity thereof.

2. (a) Owner hereby reserves printed publication rights in the Published Work except for the publication rights granted to Purchaser under Paragraph 1 above.

(b) Owner hereby reserves the right to publish "Owner-Written Sequels" (as defined in Paragraph 7 hereof) but agrees that it will not exercise itself or enter into an agreement authorizing the exercise of

any of such rights in or to any Owner-Written Sequel as are granted to Purchaser hereunder in respect of the Property in favor of any party other than the Purchaser prior to the expiration of five (5) years after the date of the first general release in the United States of the first motion picture produced hereunder based in whole or in part upon the Property or prior to the expiration of seven (7) years from the date of the execution of this Agreement, whichever first occurs (which five (5) or seven (7) year period is hereafter referred to as the "Restricted Owner-Written Sequel Period"). With respect to any proposed sale, license, disposition or use by Purchaser of any author-written sequel after the Restricted Owner-Written Sequel Period, Purchaser shall have the rights set forth in Paragraph 7 hereof. Inasmuch as the characters in the Property are included in the exclusive grant of motion pictures and allied rights to Purchaser hereunder, no television series rights or sequel rights in such characters may be granted by Owner to any third party.

(c) Owner hereby reserves radio broadcasting rights in the Property except for the radio rights granted to Purchaser under Paragraph 1 above. Owner agrees that it will not exercise such reserved radio broadcasting rights itself nor will it enter into an agreement authorizing the exercise of such reserved radio broadcasting rights by any other party until the expiration of five (5) years after the date of the first general release in the United States of the first motion picture produced hereunder based in

whole or in part upon the Property or prior to the expiration of seven (7) years from the date of the execution of this Agreement, whichever first occurs.

(d) Owner hereby reserves the right to present a dramatic and/or musical play or plays based upon the Property, on the legitimate speaking stage by living actors appearing and performing solely in the actual and immediate presence of the audience without any recordation, transmission or broadcast thereof intended for aural or visual reception at places away from the place of performance (hereinafter referred to as "stage rights"). Owner agrees that it will not exercise such reserved stage rights itself nor will it enter into an agreement authorizing the exercise of such reserved stage rights until the expiration of five (5) years after the date of the first general release in the United States of the first motion picture produced hereunder based in whole or in part upon the Property or prior to the expiration of seven (7) years from the date of the execution of this Agreement, whichever first occurs. Further, Owner shall not have the right, at any time, to exercise motion picture rights or any television rights (other than "live television rights" as defined in and limited by subsection (e) of this Paragraph 2) in any dramatic or musical play or plays based upon all or any part of the Property or any adaptation thereof or to authorize or permit the transmission or projection of any dramatization or similar version of all or any part of the Property by any means whatsoever.

(e) Owner hereby reserves the right to televise the Property direct from living actors, then acting and not otherwise (hereinafter referred to as "live television rights") but agrees that it will not exercise such live television rights itself, nor will it enter into an agreement authorizing the exercise of such live television rights by any other party until the expiration of five (5) years after the date of the first general release in the United States of the first motion picture based in whole or in part on the Work or seven (7) years from the date of the execution of this Agreement, whichever shall first occur.

The live television rights herein reserved to the Owner include the right to reproduce any original live television broadcast by kinescope process or by magnetic tape, magnetic wire, or by any other contrivance, device or method, whether similar or dissimilar or whether now known or hereafter known, but only for the purpose of supplemental coverage during a period of sixty (60) days after the original telecast over television stations in geographical areas not covered by the original telecast, provided that only one (1) such re-telecast may occur in any television area and further provided that all such kinescope or other mechanical recording must be destroyed or erased within forty-eight (48) hours after said sixty (60) day period, except for one (1) copy solely for library purposes. There is expressly excluded from the live television rights and dramatic rights herein reserved to the Owner the right to exercise same for transmission and projection through space for

exhibition or reproduction at any theatre and/or place of public assembly away from that wherein the same shall be projected or performed, by television, electronically or in any other manner or by any other method whether now known or hereafter devised.

Any and all rights herein reserved to the Owner do not include the right to exhibit or reproduce a performance of any kind by means of Home Box Office, "subscription" or "pay television", whether the audience (located at home or elsewhere) pays directly or indirectly or whether the payment may be made by means of cash, tokens or credits or in any other manner or by any other method, whether now known or hereafter known, invented or devised, such rights being granted to Purchaser as part of the Rights.

Nothing herein contained shall be deemed to limit or restrict the rights herein granted to Purchaser pursuant to the provisions of Paragraph 1.

3. If, after the expiration of the five (5) or seven (7) year period, as the case may be, referred to in Paragraphs 2(c), 2(d) and 2(e) above, Owner desires to sell, license or otherwise dispose of the reserved radio, stage or live television rights referred to herein or any part thereof, Owner shall first offer such rights to Purchaser in a written notice setting forth the terms and conditions on which the Owner is willing to sell, license or otherwise dispose of such rights and Purchaser shall have fifteen (15) days (exclusive of Saturdays, Sundays and holidays) after receipt of said notice to accept said offer; but the terms of the offer

as presented to Purchaser shall not be such as may not as readily be met by one person as by another (for example, it cannot be required that the services of a particular individual be engaged as performer, writer, producer or director), and any such terms shall be deemed to be deleted from such offer. If Purchaser does not accept said offer within said fifteen (15) day period, then Owner shall have the right to dispose of said rights to any third party provided, however, that Owner shall not dispose of said rights on terms and conditions less favorable to Owner than the terms and conditions set forth in the offer submitted to Purchaser without first notifying Purchaser and giving Purchaser the opportunity within fifteen (15) days (exclusive of Saturdays, Sundays and holidays) after receipt of such notice to acquire such rights upon less favorable terms and conditions. The foregoing procedure shall be followed with respect to any part of the said reserved radio, stage or live television rights not so offered or sold by Owner pursuant to the foregoing.

4. (a) As full consideration for the rights granted to Purchaser hereunder and for Owner's representations, warranties and indemnities hereunder, Purchaser agrees to pay to Owner the following sums:

(i) Twenty-five Thousand Dollars ($25,000) upon the execution hereof;

(ii) One Hundred Seventy-five Thousand Dollars ($175,000) on or before the date which is thirty (30) days after the execution hereof, provided that prior to the expiration of such thirty

(30) day period Purchaser shall have obtained written commitments for the services of Martin Scorsese as director of, and Robert DeNiro as an actor in, a motion picture proposed to be based upon the Published Work. If Purchaser has not obtained such written commitments prior to the expiration of the said thirty (30) day period, then the provisions of Paragraph 22 hereof shall apply.

(b) In respect of the first feature-length motion picture, if any, based upon the Property and produced in the exercise of the Rights hereunder, Owner shall be entitled to receive as additional consideration a sum equal to five percent (5%) of 100% of the net profits derived from such motion picture, as net profits are defined, computed and accounted for in Exhibit "A" attached hereto and hereby made a part hereof.

(c)(i) In respect of each sequel motion picture (as such term is hereinafter defined); if any, produced in the exercise of the Rights hereunder, Owner shall be entitled to receive the sum of One Hundred Thousand Dollars ($100,000) payable upon the commencement of principal photography of each such sequel motion picture and a sum equal to two and one-half percent (2½%) of one hundred percent (100%) of the net profits derived from such sequel motion picture, as net profits are defined, computed and accounted for in Exhibit "A".

(ii) As used herein, the term "sequel motion picture" means a motion picture other than a television motion picture using one or more of the

major characters of the Property participating entirely in different events from those found in the Property [whether such events are prior to, concurrent with or subsequent to the events of any prior motion picture(s)] and whose plot is substantially new, it being understood that the first motion picture produced hereunder is not a sequel motion picture, nor is any motion picture based upon all or a part of the plot or story of the Property or of a previously produced motion picture a sequel motion picture.

(d)(i) In respect of each remake motion picture (as such term is hereinafter defined), if any, produced in the exercise of the Rights hereunder, Owner shall be entitled to receive the sum of One Hundred Thousand Dollars ($100,000) payable upon the commencement of principal photography of each such remake motion picture, and a sum equal to two and one-half percent (2½%) of one hundred percent (100%) of the net profits derived from such remake motion picture, as net profits are defined, computed and accounted for in Exhibit "A".

(ii) As used herein, the term "remake motion picture" means a motion picture other than a television motion picture and other than the first motion picture produced hereunder which is based upon the plot or story of the Property or of a prior motion picture produced hereunder. The term "remake motion picture" does not include (A) a sequel motion picture, or (B) versions (such as foreign language versions or shortened or expanded versions) of a particular motion picture.

(e) If, other than the first motion picture produced hereunder and other than a television series "pilot" (provided that such pilot results in a series), a feature length motion picture is produced hereunder which is intended for initial release on free home television, then, as to each such motion picture, Owner shall be entitled to receive the sum which is the larger of Twenty Thousand Dollars ($20,000) or five percent (5%) of the final cash production budget for such motion picture, but in no event more than Forty Thousand Dollars ($40,000). Such sum shall be payable within ten (10) days after the date of the first telecast of any such motion picture. If a television series pilot does not result in a series, then the payment provided to be made pursuant to this Paragraph 4(e) shall be reduced by any payment made to Owner pursuant to Paragraph 6 hereof. No such motion picture shall constitute a remake motion picture or a sequel motion picture under this Agreement, nor shall any reissues or theatrical releases of any such motion picture constitute a remake motion picture or a sequel motion picture under this Agreement.

If any such motion picture is released theatrically in the United States or Canada, Purchaser shall pay to Owner, within ten (10) days after such theatrical release, a sum equal to one-half (½) the amount provided to be paid to Owner pursuant to this Paragraph 4(e) in respect of such motion picture. If any such motion picture is released theatrically outside the United States and Canada, Purchaser shall pay to Owner, within ten (10) days after such

theatrical release, a sum equal to one-half (½) the amount provided to be paid to Owner pursuant to this Paragraph 4(e) in respect of such motion picture.

5. (a) Nothing herein contained shall be construed to obligate Purchaser to produce (subject, however, to the provisions of Paragraph 23 hereof), release, distribute, exhibit, advertise or exploit any motion picture or other production based in whole or in part on the Property or to authorize any other person, firm or corporation to do so. Purchaser has not made, nor is any distributor of any motion picture produced hereunder required to make, any representation or warranty with respect to the amount of gross receipts or net profits which will or may be derived from any such motion picture.

(b) It is fully understood that Owner does not have and shall not have any right, title or interest of any kind in or to any gross receipts or net profits derived from any motion pictures or other productions produced in the exercise of the Rights hereunder, it being agreed that the share of the net profits, if any, payable to Owner with respect to any motion picture produced hereunder shall be computed, determined and paid in the manner herein provided, but shall not in any way constitute a lien or claim on or against the said motion picture or its gross receipts or net profits, or an assignment or transfer thereof or of any interest therein. It is further fully understood that, so far as Owner is concerned, Purchaser and/or any distributor of any motion picture or other production produced hereunder shall have the unrestricted right to sell, or

assign, and to pledge, mortgage or otherwise hypothecate such motion pictures and other productions and/or the gross receipts or net profits thereof either in whole or in part, without obtaining Owner's consent. Should Purchaser and/or the distributor sell or otherwise dispose of any motion picture produced hereunder or its gross receipts or net profits (as distinguished from a so-called outright or flat sale for a particular territory), then such sale or other disposition shall be made subject to the obligation on the part of the vendee or assignee to pay Owner's share of the net profits, if any, hereunder to the same extent and computed in the same manner and subject to the same limitations as though gross receipts and net profits, if any, were continued to be received by the distributor.

(c) Nothing herein contained shall be construed to create a partnership or joint venture by or between Owner and Purchaser or make either party the agent of the other. Each of the parties hereto agree not to hold themselves out as the partner or agent of the other or otherwise in any manner contrary to the terms of this Agreement and neither of the parties hereto shall be or become liable or bound by any representation, act, omission or agreement whatsoever of the other which may be contrary to the provisions of this Agreement.

(d) It is expressly agreed that Purchaser and/or any distributor of any motion picture or other production produced in the exercise of the rights granted by Owner hereunder shall have full and exclusive charge and control of the production,

distribution, sale, exploitation, marketing, reissuing or other distribution or use thereof and that said motion pictures and productions may be distributed, sold outright, exploited, marketed or otherwise disposed of by Purchaser and/or any distributor throughout the world in perpetuity and Purchaser and/or such distributor may in Purchaser's and/or such distributor's sole discretion withhold or withdraw such motion picture or other productions from distribution either entirely or with respect to any country or territory in the world or portion thereof. It is the intent and purpose hereof that absolute and sole control and discretion with reference to all matters involving the production, sale and reissuing of said motion pictures and other productions shall be exercised by Purchaser and/or such distributor in such manner as Purchaser and/or such distributor in Purchaser's and/or such distributor's sole and absolute discretion and judgment may deem proper and that Owner shall not have any voice or control whatsoever in connection therewith.

6. (a) If Purchaser shall produce a television series based upon the Property, then, for each such episode (and the term "episode" shall include a pilot) of a television series, Owner shall be entitled to receive the following sums:

(i) Seven Hundred Fifty Dollars ($750) for each episode not more than one-half hour in length;

(ii) One Thousand Dollars ($1,000) for each episode more than one-half hour but not more than one hour in length;

(iii) One Thousand Two Hundred Fifty Dollars ($1,250) for each episode more than one hour in length.

With respect to each rerun, if any, of an episode of such a television series, Owner shall be entitled to receive the following as a royalty:

(A) With respect to the first rerun, a sum equal to twenty percent (20%) of the applicable royalty provided for herein with respect to the initial telecast of such episode;

(B) With respect to the second rerun, a sum equal to twenty percent (20%) of the applicable royalty provided for herein with respect to the initial telecast of such episode;

(C) With respect to the third rerun, a sum equal to twenty percent (20%) of the applicable royalty provided for herein with respect to the initial telecast of such episode;

(D) With respect to the fourth rerun, a sum equal to twenty percent (20%) of the applicable royalty provided for herein with respect to the initial telecast of such episode;

(E) With respect to the fifth and all subsequent reruns a single payment of a sum equal to twenty percent (20%) of the applicable royalty provided for herein with respect to the initial telecast of such episode.

(b) The payments provided for in (a) above shall be payable within one hundred twenty (120) days after the initial telecast in the United States or Canada of the respective run, except that if such telecast is on a United States television network, then such payment shall be payable within thirty (30) days after the initial telecast of the respective run.

(c) Nothing herein contained shall be deemed to prescribe any minimum number of, or length of, episodes which may be part of any such television series nor shall anything herein contained be deemed to prescribe any minimum number of runs of any episode of any such television series.

(d) No additional sum or sums shall be payable to Owner by reason of the use of any such episode in excess of five reruns. Purchaser shall have the right, but not the obligation, to distribute, release and exhibit theatrically throughout the universe, any one or more of the various episodes of any television series based in whole or in part on the Property and in so doing, Purchaser may combine any two or more programs of any television series into one or more theatrical films, but in respect to each such theatrical film Purchaser shall pay to Owner the sum of Ten Thousand Dollars ($10,000) within ten (10) days after the first general release thereof in the United States or Canada and Ten Thousand Dollars ($10,000) within ten (10) days after the first general release thereof outside the United States and Canada.

7. Subject to the provisions of Paragraph 2(b) hereof, if at any time after the expiration of the Restricted Owner-Written Sequel Period, Owner desires to sell, license or otherwise dispose of the rights in any Owner-Written Sequel as are granted to Purchaser hereunder in respect of the Property or any part thereof, Owner shall first offer such rights to Purchaser setting forth the terms and conditions on which the Owner is willing to sell, license or otherwise dispose of such rights and Purchaser shall have fifteen (15) days (exclusive of Saturdays, Sundays and holidays) after receipt of said notice to accept said offer; but the terms of the offer as presented to Purchaser shall not be such as may not as readily be met by one person as by another (for example, it cannot be required that the services of a particular individual be engaged as performer, writer, producer or director), and any such terms shall be deemed to be deleted from such offer. If Purchaser does not accept said offer within said fifteen (15) day period, then Owner shall have the right to dispose of said rights to any third party provided, however, that Owner shall not dispose of said rights on terms and conditions less favorable to Owner than the terms and conditions set forth in the offer submitted to Purchaser without first notifying Purchaser and giving Purchaser the opportunity within fifteen (15) days (exclusive of Saturdays, Sundays and holidays) after receipt to acquire such rights upon such less favorable terms and conditions. The foregoing procedure shall be followed, with respect to each and every Owner-Written Sequel. The term "Owner-Written Sequel", as used

herein, means a literary property (story, novel, drama or otherwise) whether written before or after the Property, whether written by Owner or by a successor in interest or licensee of Owner, using one or more of the characters appearing in the Property, participating in different events from those found in the Property, the plot of which is substantially different from that of the Property. For purposes of this Agreement, a motion picture produced by Purchaser (or its assigns) in respect of rights acquired pursuant to this Paragraph 7 shall not be deemed to be a remake motion picture, or a sequel motion picture, or a television series pilot or episode and consequently no sums shall be payable to Owner under this Agreement in connection therewith. Owner shall not offer to sell, license or otherwise dispose of rights in more than one author-written sequel in any two (2) year period.

8. Owner hereby represents and warrants that:

(a) Jake LaMotta, Peter Savage and Joseph Carter are the sole authors of the Published Work;

(b) Peter Savage and Emmett Cleary [sic] are the sole authors of the Petrillo [sic] Screenplays;

(c) The Published Work is original and has not been copied or adapted from any literary, dramatic or other work;

(d) The Petrillo [sic] Screenplays are original and have not been copied or adapted from any literary, dramatic or other work other than the Published Work;

(e) Nothing contained in the Property infringes or in any way violates any rights of any person, firm or corporation whatsoever including, without limitation, any rights of copyright or rights of privacy or any other common law or statutory rights of any kind;

(f) The Property does not contain any defamatory matter of any kind;

(g) The exercise of any of the Rights herein granted to Purchaser will not infringe or violate any rights of any person, firm or corporation whatsoever;

(h) Except for incidental public domain material neither the Property nor any part thereof is in the public domain anywhere in the world;

(i) Owner is the sole and exclusive owner of all of the Rights in the Property and Owner has not assigned or licensed (and will not hereafter do so) to any person, firm or corporation, nor has Owner in any manner encumbered or hypothecated (nor will Owner hereafter do so) any of the Rights herein granted to Purchaser nor has Owner heretofore committed or done any act or thing (nor will Owner hereafter do so) by which any of said Rights can be diminished or impaired and there are no rights, licenses or grants of any kind in favor of any person, firm or corporation and no claims, litigations or other proceedings pending or threatened, which can in any way impair, limit, diminish or infringe upon any of the rights granted or agreed to be granted to Purchaser hereunder.

(j) With respect to any actual persons other than Jake LaMotta or Peter Savage [who are dealt with in Paragraph 1(b) above], who are portrayed in the Property, Owner has obtained all consents necessary so that such persons may be portrayed in any motion picture produced hereunder.

(k) The Published Work has been duly copyrighted and registered for copyright in the United States of America, by and in the name of Jake LaMotta under the title "THE RAGING BULL" on June 29, 1970, Entry No. A 164566, and first published in hard cover in the United States by Prentice-Hall, Inc., in paperback in the United States by Award Books, and in paperback in England by Tandem Books.

(l) The first of the Petrillo [sic] Screenplays has been duly copyrighted and registered for copyright in the United States of America in the name of Frank Peter Petrillo [sic] on October 9, 1963 under Entry No. DU 58670, and the second of the Petrillo [sic] Screenplays has been duly copyrighted and registered for copyright in the United States of America in the name of Frank Peter Petrillo [sic] on July 16, 1973 under Entry No. DU 87481.

9. The Owner agrees to defend, indemnify and hold the Purchaser and its assignees and licensees, and their respective officers, agents and associates, harmless from and against any charges, damages, costs, expenses (including reasonable counsel fees), judgment, penalties, liabilities or losses of any other

kind or nature whatsoever which may be sustained or suffered by or secured against or imposed upon the Purchaser, or its assignees or licensees, or their respective officers, agents or associates by reason of the breach or failure of any of the representations, warranties, covenants or agreements herein made by Owner.

The Purchaser agrees to defend, indemnify and hold the Owner harmless from and against any charges, damages, costs, expenses (including reasonable attorneys' fees), judgments, penalties, liabilities or losses of any kind or nature whatsoever which may be sustained or suffered by or secured against or imposed upon the Owner arising out of any claim (which results in an adverse judgment) that material added by the Purchaser to the Property and not written by any of Author or by Emmett Cleary [sic] infringes upon or violates the right of privacy of, or constitutes a libel against or violates any copyright, common law right or any other right of any party whatsoever.

10. Owner agrees to prevent the Property and any versions or part thereof from falling into the public domain anywhere in the world and will cause to be affixed to each published copy of the Property or any version thereof such notice and will do or cause to be done such other acts and deeds as may be required to obtain or maintain copyright in the Property and all versions and parts thereof in each country in the world where such rights are capable of being obtained or maintained. Owner further agrees to renew or

extend or cause to be renewed or extended, the U. S. copyrights in the Property at least six (6) months prior to expiration of the respective original copyright of the Property in the United States (and Owner hereby irrevocably appoints Purchaser as Owner's attorney-in-fact to do so), and the monies payable to Owner hereunder shall be deemed to include full and complete consideration for the grant to Purchaser hereby made of the benefit of the Rights during any such renewal or extended period.

11. Owner hereby agrees to promptly procure such releases and other instruments (in form and substance satisfactory to Purchaser) from any publishers or other persons, firms or corporations whatsoever having an interest in the Property or any of the Rights and from any living persons who appear in the Property as Purchaser may deem necessary to further assure each and all of the rights granted and agreed to be granted to Purchaser hereunder. Owner shall bear the cost of securing such releases.

12. (a) Owner hereby grants Purchaser the right to use the name, likeness and/or biography of Jake LaMotta, Joseph Carter (to the extent that Owner has such rights), Peter Savage (a/k/a Frank Peter Petrillo [sic] and Emmett Cleary [sic]), or any of them, in connection with the advertising, publicity and/or other exploitation of any of the rights herein granted or agreed to be granted to Purchaser, it being agreed that Purchaser shall not, without the consent of the person concerned, authorize any advertiser to advertise

or announce that such person uses or endorses any product, commodity or service.

(b) If Purchaser produces a motion picture based upon the Published Work (it being understood and agreed that, subject to Paragraph 23 hereof, Purchaser shall have no obligation so to do) then Author shall be accorded credit on the negative and on all positive prints of such motion picture on a separate card as part of the main title, in a size of type not less than the size of type used for the name of the writer of the screenplay of such motion picture. Purchaser agrees that in paid advertising issued by Purchaser or under Purchaser's control, Author shall receive credit whenever the writer of the screenplay receives credit therein and in a size of type not less than the size of type used for the name of the writer of the screenplay of such motion picture. If the title of such motion picture is the same as the title of the Published Work, then the credit accorded to Author hereunder shall not include the title of the Published Work. If the title of the Published Work is not used as the title of such motion picture, then the credit accorded to Author hereunder shall include the title of the Published Work. Subject to the foregoing provisions, the Purchaser shall determine in its discretion the manner and mode of presenting credits.

(c) In according credit hereunder in paid advertising, if the title of the motion picture is used more than once in said paid advertising, i.e., a so-called "regular" use and a so-called "artwork" use (such as, for example, the weaving of the title and/or

the name of star(s) as part of the background of the advertisement, or a display use, or a fanciful use), then to the extent that the credit provided for herein is related to the size of type used for the title of the motion picture, i.e., if the credit to be accorded to the writer(s) of the screenplay is related to the size of type used for the title of the motion picture, the reference to the title of the motion picture shall be to the so-called "regular" use of the title as distinguished from the "artwork" use of the title.

(d) Notwithstanding the foregoing, Purchaser shall not be obligated to give Owner credit in any of the following:

(i) Teaser or special advertising or publicity;

(ii) advertising or publicity relating to the members of the cast, the director, producer or similar matters;

(iii) group, list or institutional advertising or publicity;

(iv) any advertising, or publicity written in narrative form or to commercial or merchandising by-products, phonograph records, phonograph album covers, advertising, accessories or products of any kind;

(v) advertising of eight (8) column inches or less;

(vi) trailers or other advertising on the screen;

(vii) radio or television advertising or publicity;

(viii) so-called 24 sheets, 6 sheets, 30x40's and 40x60's.

(e) It is agreed that no casual or inadvertent' failure of Purchaser to comply with any of its obligations hereunder shall be deemed a breach hereof. Purchaser will provide in any agreement with any distributor of a motion picture produced by Purchaser based upon the Published Work that such distributor will comply with the credit requirements provided for in this Paragraph 12 but the failure of a distributor or any other persons to comply with the provisions of this Paragraph 12 shall not constitute a breach of this Agreement by Purchaser. Owner further agrees that if Purchaser breaches any of its obligations to Owner under this Agreement the damage, if any, caused Owner by such breach is not irreparable or sufficient to entitle Owner to injunctive or other equitable relief and that Owner's rights and remedies in the event of any such breach shall be limited to the right, if any, to obtain damages at law and Owner shall have no right, in such event to rescind this Agreement or any of the rights granted or agreed to be granted to Purchaser hereunder, or to enjoin or restrain or otherwise interfere with the exercise by Purchaser of any of the rights granted or agreed to be granted to Purchaser hereunder.

13. (a) Any and all payments required to be made pursuant hereto shall be made payable as follows:

(i) [REDACTED] of each payment shall be made payable to Martin Heller as attorney for Owner and shall be forwarded to Martin Heller, Esq., Regan, Goldfarb, Heller, Wetzler & Quinn, 445 Park Avenue, New York, New York 10022 and each such payment so made shall be deemed to be payment to Owner; and

(ii) [REDACTED] of each payment shall be made payable to Martin Heller and shall be forwarded to him at 445 Park Avenue, New York, New York 10022.

(b) All notices which Purchaser is required to or may desire to serve upon Owner in connection with this Agreement shall be in writing and shall be served by addressing same to Owner at Owner's address first set forth above or at such other address as may be designated from time to time by Owner in writing, by depositing the same so addressed by certified mail or registered mail, or at Purchaser's option, by telegraph, cable or telex. If Purchaser elects to send any notice hereunder by telegraph or cable, such notice shall be deemed to have been served upon Owner at the time of delivery thereof to the telegraph or cable office. If Purchaser elects to mail, such notice, such notice shall be deemed to be served upon Owner forty-eight (48) hours after the mail thereof by Purchaser. If Purchaser elects to send

such notice by telex, such notice shall be deemed to be served upon Owner upon transmission by telex.

(c) All notices which Owner is required or may desire to serve upon Purchaser in connection with this Agreement shall be in writing and shall be served by addressing same to Purchaser at 10202 West Washington Boulevard, Culver City, California 90230, with a copy to Purchaser c/o Hess Segall Popkin Guterman Pelz & Steiner, 230 Park Avenue, New York, New York 10017 (Attention: Lee N. Steiner, Esq.) or at such other address as may be designated from time to time by Purchaser in writing, by depositing the same so addressed by certified mail or registered mail or, at Owner's option, by telegraph, cable or telex. If Owner elects to send any notice hereunder by telegraph or cable, such notice shall be deemed to have been served upon Purchaser at the time of delivery thereof to the telegraph or cable office. If Owner elects to mail such notice, such notice shall be deemed to be served upon Purchaser forty-eight (48) hours after the mailing thereof by Owner. If Owner elects to send such notice by telex, such notice shall be deemed to be served upon Purchaser upon transmission by telex.

14. Owner hereby grants to Purchaser the right, at Purchaser's expense, to institute in the name and on behalf of Purchaser, or Owner and Purchaser jointly, any and all suits and proceedings in law or in equity to enjoin and restrain any infringements of any of the rights herein granted or agreed to be granted to Purchaser and Owner hereby assigns to

Purchaser any and all causes of action resulting from or based upon any such infringement as well as all recoveries obtained in any such action. Owner will not compromise, settle or in any manner interfere with any such action or litigation if brought.

15. (a) Concurrently with Owner's execution hereof, Owner shall complete, execute and deliver, or cause to be completed, executed and delivered, to Purchaser, the short forms of agreements set forth as Exhibits "B" through "F", inclusive, attached hereto and by this reference made a part hereof and Owner understands and acknowledges that Purchaser shall have the right to detach the said Exhibits and forward them to the United States Copyright Office and/or elsewhere for recording.

(b) Owner agrees upon Purchaser's request to procure for Purchaser signed documents and other proof, if such is required, to establish a clear chain of title in Purchaser in and to the rights acquired by Purchaser hereunder.

16. If Owner fails to do or cause to be done any act or thing required to be done or caused to be done by Owner hereunder, then, in such event, Owner hereby appoints Purchaser as his irrevocable attorney-in-fact with the right, but not the obligation so to do in the name of and on Owner's behalf for the benefit of Purchaser, which appointment Owner acknowledges is coupled with an interest.

17. This Agreement constitutes the full understanding between Owner and Purchaser and can only

be changed, altered or modified in writing executed by Owner and Purchaser.

18. If the Property or any portion thereof shall ever be or become in the public domain, then nothing contained in this Agreement shall be construed to be prejudicial to or operate in derogation of any rights, licenses, privileges or properties which Purchaser may enjoy or be entitled to as a member of the public and Purchaser may exercise such rights, privileges or properties as if this Agreement were not in existence.

19. No sums other than those hereinabove specifically provided as being payable to Owner shall accrue or be payable to Owner in respect of any use or exercise of any the Rights.

20. Purchaser shall have the unlimited right to assign this Agreement and any and all of the rights granted to it hereunder. This Agreement shall be binding upon Owner and upon Purchaser and their respective heirs, legal representatives, successors and assigns, as the case may be. To the extent that Purchaser assigns this Agreement or any of the rights granted hereunder to a "major motion picture company", or to the extent that a "major motion picture company" guarantees the obligations of Purchaser under this Agreement, Purchaser shall be relieved of its liability hereunder. The term "major motion picture company" shall mean and include the following companies and their respective parent, subsidiary and affiliated companies: Columbia Pictures, Metro-Goldwyn-Mayer Inc., Paramount Pictures

Corporation, Universal Pictures, Twentieth Century-Fox Film Corporation, United Artists Corporation and Warner Bros., Inc.

21. No waiver by Purchaser or any breach by Owner of any of the provisions of this Agreement shall be construed to be a waiver of any preceding or succeeding breach of the same or any other term or provision hereof. Each of the rights and remedies granted to Purchaser under this Agreement are cumulative and the exercise of one shall not limit, diminish or otherwise affect Purchaser's right, concurrently or subsequently, to exercise any other rights or remedies and shall be in addition to such other rights and remedies as Purchaser may have at law, in equity, under this Agreement or otherwise.

22. If by the expiration of the thirty (30) day period referred to in Paragraph 4(a)(ii) hereof, Purchaser shall not have obtained the written commitments for the service's of Martin Scorsese and Robert DeNiro which are referred to in, said Paragraph 4(a)(ii), then this Agreement shall terminate automatically and upon such termination all of the Rights shall revert to Owner and Purchaser shall have no further interest in the Property and the Rights, Owner shall have the right to retain the Twenty-five Thousand Dollars ($25,000) paid to Owner pursuant to Paragraph 4(a)(i) above, Owner shall have the unrestricted right to dispose of or utilize the Rights or the Property in any way, and neither party shall have any further obligation to the other with respect to the Rights or the Property.

23. Provided that (i) Purchaser acquires the rights in the Property in accordance with the terms hereof; (ii) Purchaser has obtained written commitments for the services of Martin Scorsese as director of, and Robert DeNiro as an actor in, the first motion picture proposed to be based upon the Published Work; and (iii) the first motion picture proposed to be based upon the Published Work is validly budgeted at a cost not in excess of $3,500,000, Purchaser agrees that it will produce said first mtoion [sic] picture except that if either Martin Scorsese or Robert DeNiro subsequently fail, refuse or are otherwise unavailable to render their services in such picture at the time required, then Purchaser shall not be obligated to make such picture but shall have the right to do so if it so elects.

Our signature at the foot hereof, together with yours underneath the words "AGREED TO AND ACCEPTED" shall constitute this a valid, binding and enforceable agreement between us.

Very truly yours,

CHARTOFF-WINKLER
PRODUCTIONS, INC.

By: /s/ [Illegible]

AGREED TO AND ACCEPTED:

/s/ Jake LaMotta
Jake LaMotta

/s/ Peter Savage
Peter Savage a/k/a
Frank Peter Petrillo [sic]
and Emmett Cleary [sic]

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On this 13th day of October, 1976 before me came JAKE LA MOTTA, to me known and known to me to be the individual described in and who executed the foregoing instrument, and he acknowledged that he executed the same.

/s/ Fredric M. Sanders
Notary Public

[NOTARY STAMP]

STATE OF NEW YORK)
: ss.:
COUNTY OF NEW YORK)

On this 13th day of October, 1976 before me came PETER SAVAGE, to me known and known to me to be the individual described in and who executed the

foregoing instrument, and he acknowledged that he executed the same.

/s/ Fredric M. Sanders
Notary Public

[NOTARY STAMP]

EXHIBIT A

TO AGREEMENT (the "Principal Agreement") dated , 1976 between Jake La Motta and Peter Savage (hereinafter jointly and severally referred to as "Owner") and Chartoff-Winkler Productions, Inc. (hereinafter referred to as "Purchaser") pursuant to which Purchaser acquired from Owner motion picture and allied rights in and to that certain work entitled "RAGING BULL" written by Jake LaMotta, Peter Savage and Joseph Carter, as is more fully set forth therein. All terms used in the Principal Agreement and in this Exhibit "A" are defined in the same way as in the Principal Agreement. The term "Picture", as used herein, shall mean the respective first feature length theatrical motion picture, "sequel motion picture" and "remake motion picture" produced in the exercise of the Rights under the Principal Agreement. The term "Distributor" as used herein shall mean the distributor(s) of each such motion picture.

1. *Definition of Gross Receipts.* The term "gross" receipts" of the Picture as used herein shall be deemed to mean the aggregate of the following, to

wit: The "domestic theatrical gross receipts", the "foreign theatrical gross receipts" and the "incidental gross receipts", as hereinafter defined, after deducting all costs and expenses incurred in the collection of the same, including attorneys' fees:

A. The term "domestic theatrical gross receipts" shall mean all monies actually received by Distributor, or a subsidiary of Distributor, as film rentals from the parties exhibiting the Picture in the United States of America in the theatrical field after giving effect to any adjustments with exhibitors for rebates, credits, allowances or refunds. There shall also be included in the term "domestic theatrical gross receipts" all monies actually received by Distributor as film rentals from the distribution of trailers for the Picture in the United States. Monies actually received as film rentals by Distributor from rentals, leases or licenses to United States Army, Navy, Air Force and other military or Armed Service installations, the American Red Cross, and American veterans' hospitals or facilities for shut-ins wherever situated throughout the world shall be deemed a part of and included in the domestic theatrical gross receipts whether in 35mm or in substandard gauges, as shall, with respect to exhibitions on ships at sea or aircraft flying the flag of the United States, monies actually received as film rentals by Distributor from the shipping companies, bookers, agencies or other parties through whom Distributor services such ships at sea and aircraft.

B. The term "foreign theatrical gross receipts" shall mean the aggregate of (i) all monies actually received from Distributor, or a subsidiary of Distributor, as film rentals from the parties exhibiting the Picture in the theatrical and non-theatrical fields in any foreign countries where Distributor, or a subsidiary of Distributor, distributes directly to exhibitors, after giving effect to any adjustments with exhibitors for rebates, credits, allowances or refunds; (ii) all monies actually received as film rentals by Distributor's 35mm theatrical subdistributors or licensees in any foreign countries where such subdistribution or licensing is done by Distributor on a percentage basis, after giving effect to any adjustments with exhibitors for rebates, credits, allowances or refunds; (iii) the net monies actually received as film rentals by Distributor from the distribution of the Picture in the theatrical and non-theatrical fields in foreign territories where Distributor licenses the distribution of the Picture on an outright sales basis: (iv) all monies actually received by Distributor as film rentals from the distribution of trailers for the Picture in foreign countries; and (v) with respect to exhibitions on ships at sea or aircraft flying the flag of any foreign country or at United States civilian overseas bases or construction camps in foreign territories, the monies actually received as film rentals by Distributor from the shipping companies, bookers, agencies, or other parties through whom Distributor services such ships, aircraft and bases. If one or more affiliates or subsidiaries of Distributor (hereinafter collectively called the "Subsidiaries") shall be utilized, either

alone or in joint venture with another company or companies, in any country or territory in a production or other capacity for the purpose of either (1) qualifying the Picture for entitlement to aid law funds, awards, prizes or other such governmental subsidies under the laws or regulations of any such country or territory (hereinafter collectively called the "Subsidies"), or (2) receiving the Subsidies in any such country or territory, then, in such event, Distributor shall include in the foreign theatrical gross receipts of the Picture (but without any distribution fee being applicable thereto) a sum equal to the Subsidies actually received by the Subsidiaries after first deducting therefrom an amount equal to [REDACTED] percent of such Subsidies as and for governmental taxes (whether denominated as income taxes or otherwise) which, under the laws or regulations of the countries or territories concerned, are applicable to the Subsidies. Distributor shall exert its best efforts to cause all foreign theatrical gross receipts to be transmitted to Distributor in the United States as quickly as possible. Foreign theatrical gross receipts shall neither be deemed to be nor accounted for as gross receipts hereunder unless and until they have been transmitted to Distributor in the United States.

C. The term "incidental gross receipts" shall mean the aggregate of all net monies actually received as film rentals by Distributor in the United States from the licensing or other disposition of any of the other distribution rights in the Picture granted to Distributor hereunder including television

distribution rights. There shall likewise be included in said term all net monies actually received by Distributor in the United States from any claims, suits or proceedings against third persons for infringements of any rights owned or possessed by Owner or Distributor in the Picture including, but without limiting the generality of the foregoing, copyright infringement actions, plagiarism actions, actions for the unauthorized use or exhibition of the Picture or of any prints thereof.

D. With respect to proceeds derived by the music publisher designated by Purchaser or Distributor from the publication and public performance of music appearing on the soundtrack of the Picture, agreements with such publisher shall, if reasonably possible, provide for the semi-annual payment of royalties as per the attached Exhibit A-1.

As to proceeds derived by the record company designated by Purchaser or Distributor in respect of phonograph records, tapes, transcripts, sound recordings, or such other forms or mediums, containing music from the soundtrack of the Picture, agreements with the record company shall, if reasonably possible, provide for the semi-annual payment of royalties as per the attached Exhibit A-2.

The royalties referred to in this subparagraph D. as have been actually received by the Distributor in the United States in United States Dollars will be added to and be treated as part of the theatrical gross

receipts derived from the distribution of the Picture, but no distribution fee shall be chargeable thereon.

E. All sums derived from products, articles or services manufactured or otherwise exploited pursuant to the right to sell, lease, license, distribute, exploit, sublicense and otherwise deal in and turn to account, the right to arrange for commercial tie-ups with and endorsements, manufacture, distribution and use of any article, product or service based upon or developed or created from any part or all of the Picture or the screenplay thereof, or the plot, characters, incidents, objects or elements contained in said screenplay or the Picture, as a result of a direct license by Distributor or its subsidiaries shall be added to and treated as part of the incidental gross receipts of the Picture and Distributor shall be entitled to charge a distribution fee thereon which is [REDACTED] higher than the distribution fee chargeable by Distributor on theatrical gross receipts derived from the territory concerned. However, where such proceeds are derived by way of a sublicense to a third party by Distributor of the right to license the manufacture, distribution and/or use of the products, articles or, services aforesaid, and actually received by Distributor in the United States in United States Dollars from such sublicensee, said proceeds shall be added to and treated as part of the incidental gross receipts of the Picture and the distribution fee chargeable by Distributor there-on shall be [REDACTED] thereof; it being agreed that in no event shall the distribution fees of Distributor and any such

sublicensee exceed, in the aggregate, a sum equal to [REDACTED] of such gross receipts derived by such licensee.

2. *Deduction from Gross Receipts*. The following shall be deducted from the gross receipts of the Picture:

A. *Trade Association Fees*: Any monies payable by Distributor to the M.P.A.A. or any successor to which Distributor may now or hereafter belong, and to any trade-associations in foreign countries to which Distributor may now or hereafter belong, on account of receipts or proceeds from the distribution of the Picture.

B. *Taxes*: All sums required to be paid or payable by Distributor or any of its subsidiary, affiliated, allied, associated or related distributors as state, county, city or other taxes based upon the value of the Picture, and all sums required to be paid or payable by Distributor, or any of its subsidiary, affiliated, allied or associated or related distributors and Distributor's or their licensees, as imposts, taxes, and like charges, however denominated, imposted, assessed or levied by any government, or any duly constituted taxing authority, based upon or relating to the gross moneys derived on account of or from the distribution or exhibition of the Picture in any country, subdivision thereof, or territory, or upon the portion thereof payable to Distributor, whether such taxes are denominated as turnover taxes, sales taxes, gross business taxes or by any other denomination.

Nothing contained in this subdivision of Paragraph 2B., however, shall permit Distributor to charge or deduct from the gross receipts of the Picture any net income, franchise, excess profits, corporation or any other similar tax, if such tax is computed upon the actual net profits realized by Distributor, its subsidiary, affiliated, allied, associated or related distributors or Distributor's or their licensees, and may be charged against them.

C. *Checking Expenses*: The cost of checking percentage engagements of the Picture. If checking is undertaken to ascertain the accuracy of the box office reports submitted generally by a theatre or theatres without reference to particular pictures, then the cost of such checking in any territory in any year shall be allocated against the gross receipts of the Picture in the ratio of the Picture's gross receipts during that year in that territory to the gross receipts of all motion pictures distributed by Distributor in that territory during that year.

D. *Industry Assessments*: Industry assessments, including industry campaigns endorsed and supported by all or substantially all the major companies in the industry; copyright protection dues; assessments for awards, settlements, contributions, judgments, legal fees and other costs incurred in connection with antitrust proceedings (including lawsuits and arbitrations) of any kind to which Distributor is a party. Any such payments shall be allocated against the gross receipts of the Picture in the ratio of the Picture's gross receipts during the year concerned in

the territory concerned to the gross receipts during that year in that territory of all motion pictures distributed by Distributor in that territory which are so taxed; provided, however, that no more than [REDACTED] Dollars shall be charged against the adjusted gross receipts of the Picture in connection with antitrust proceedings.

3. *Distribution Fees.* Distributor and its subsidiaries or affiliates shall be entitled to deduct from the gross receipts of the Picture, as reduced by the items listed in Paragraph 2, the following distribution fees:

A. From theatrical gross receipts of the Picture in the United States, Canada and the United Kingdom . . . [REDACTED] but, if the Picture is produced in compliance with the United Kingdom Films Act 1960 and is registered as a British film and as an Exhibitors Quota Film and qualifies as an "eligible" film capable of participating in and actually receives payment from the British Film Production Fund then, Distributor's distribution fee with respect to theatrical gross receipts of the Picture in the United Kingdom shall be [REDACTED] percent thereof.

B. From theatrical gross receipts of the Picture in Mexico, Greece, India, Burma, Pakistan, Bangladesh, Afghanistan, Portugal, Ceylon, Egypt and Holland . . . [REDACTED]

C. From theatrical gross receipts of the Picture in the rest of the universe . . . [REDACTED]

D. From foreign theatrical gross receipts derived from outright sales of the Picture irrespective of the territory from which derived . . . [REDACTED]

E. From non-theatrical gross receipts of the Picture in the United States, Canada and the United Kingdom. [REDACTED]

F. From television gross receipts of the Picture in the United States, Canada and the United Kingdom . . . [REDACTED] except that with respect to any sale of the Picture for free reception on television on a U.S. national network basis to National Broadcasting Company, American Broadcasting Company or CBS Television Network, Distributor's distribution fee. shall be [REDACTED] percent of the gross receipts derived therefrom.

G. From television and non-theatrical gross receipts of the Picture in the rest of the universe, the same fee as for theatrical gross receipts of the Picture in the territory concerned.

H. From any other incidental gross receipts of the Picture derived from anywhere in the universe, the same fee as for theatrical gross receipts of the Picture in the territory concerned.

4. *Adjusted Gross Receipts.* The remaining receipts are hereinafter sometimes referred to as the "adjusted gross receipts" of the Picture. For the purposes of this Paragraph, Distributor shall be deemed to include Distributor, its subsidiaries and affiliates, its subdistributors, licensees and selling

agents. There shall be deducted from the adjusted gross receipts of the picture a sum equal to all of Distributor's usual and customary distribution costs and expenses expended or incurred by Distributor in connection with the Picture including, but not limited to, the following:

A. *Laboratory Work*: The cost of release prints, replacements, dupe negatives, and all sums actually expended or incurred by Distributor in processing said material throughout the universe. Owner agrees that Distributor may order as many prints of the Picture as Distributor deems commercially advisable.

B. *Advertising*: All sums expended or incurred by Distributor for advertising, publicity and exploitation purposes, including, without limitation, the salaries of field exploitation men, allocated on the basis of the time spent on the Picture, and their expenses; all costs and expenses incurred by Distributor in connection with the preparation of bill posters, lithographs, and other advertising accessories relating to the Picture; and payments made or credits allowed or sums expended in connection with advertising and exploitation wherein Distributor shares with the exhibitor the cost of such advertising and exploitation, i.e., "cooperative advertising" (as that term is understood in the motion picture industry).

C. *Other Expenses*: All sums expended or incurred by Distributor in connection with any of the following: screening expenses, censorship boards or for costs and expenses in connection with securing

censorship approvals; all sums expended or incurred by Distributor in connection with cutting, editing, reassembling, re-editing or re-cutting the Picture for the purpose of meeting censorship requirements or for other purposes permitted under this Agreement; telephone and telegraph charges; costs of search of copyright or title records, or of obtaining copyrights in the Picture; trademarking costs and expenses; costs of procuring NCCMP certificate; costs and expenses of obtaining clearance with respect to or changing the title of the Picture; all charges by Distributor to cover the risk of loss or damage to any prints or negatives of the Picture; transportation, freight, shipping and storing charges on all negatives, prints and all other material in connection with the Picture; music copyright and sound royalties paid or incurred by Distributor; all costs and expenses incurred by Distributor in connection with the preparation or making of trailers for the Picture; costs and expenses in connection with merchandising, including any payments made or required to be made to third parties in connection therewith; any payments which Distributor may be required to make to unions, guilds, or federations, or any members thereof, in connection with the distribution of the Picture in television or any other medium or market; an aliquot share of the dues and costs paid by Distributor to the A.M.P.T.P. or its successors; all taxes, duties, imposts and like charges however denominated, imposted, as assessed or levied by any government or any duly constituted taxing authority, relating directly or indirectly to the Picture assessed against or for which Distributor, its

subsidiary, affiliated, allied, associated or related companies or their licensees or sublicensees may be held liable, other than the taxes deductible from the gross receipts pursuant to the provisions of subdividion B of Paragraph 2 hereof and other than income, franchise or corporate taxes computed upon the actual net profits realized by Distributor, its subsidiary, affiliated, allied, associated or related companies or their licensees or sublicensees; the costs of import fees and licenses and other similar requirements to secure the right to import and distribute the Picture in any foreign country; import, export, tariff, customs and other similar duties, all costs and expenses incurred by Distributor in preparing any foreign or other language version of the Picture for any country including, but not limited to, the cost of dubbing, cutting, editing and subtitling; the cost of each print of the Picture loaned or given by Distributor to any national film or similar institution, solely for the library purposes of such institution(s); all legal fees and related expenses expended or incurred by Distributor for the services of outside counsel in connection with the preparation and/or review of any documents or other instruments whatsoever relating to the acquisition, development, production, financing, distribution and/or sale of the Property or the Picture; any and all legal expenses including reasonable attorneys' fees incurred by Distributor, its subsidiary, affiliated, allied, associated or related companies or their licensees or sub-licensees in contesting the imposition of any tax on the gross receipts, adjusted gross receipts, net, receipts or net

profits of the Picture or in connection with any litigation concerning title or rights in the Picture or, incidental to the assertion or maintenance of claims for the infringement of or with the Picture or any part thereof or other interference by third persons of or with the Picture or any part thereof or any right granted or sold to Distributor hereunder as well as any and all sums including legal expenses and reasonable attorneys' fees spent or incurred by Distributor in connection with any proceedings or actions which Distributor, it subsidiary, affiliated, allied, associated or related companies or their licensees or sublicensees may take against any third parties because of the failure of such third parties to pay any moneys due on account of the Picture or in connection with any agreements relating thereto or in connection with the performance of such agreements.

5. *Net Receipts*. After Distributor shall have deducted from the adjusted gross receipts of the Picture all sums expended or incurred by it in connection with any of the items hereinabove referred to in Paragraph 4, then a sum equal to the remainder of the adjusted gross receipts of the Picture shall be defined and referred to as the "net receipts" of the Picture. If any person(s), firm(s) or corporation(s) rendering or providing services in or in connection with the Picture is (or are), with the consent and approval of Distributor, entitled to receive any payments based or calculated upon a percentage of the gross receipts of the Picture, regardless of when such payments shall commence accruing or be payable, (all

said persons, firms and corporations being hereinafter collectively called the "gross participants"; and all said payments being hereinafter collectively called the "gross percentage payments") then Distributor shall pay the first available net receipts of the Picture to such gross participants in payment of such gross percentage payments as are then due and payable. If, at any given time during Distributor's ownership of the Picture (it being agreed that Distributor shall, for this purpose, be deemed the owner of the Picture notwithstanding its having sold the copyright in and/or the legal title to the Picture to any third party so long as Distributor remains the distributor of the Picture), the first available net receipts of the Picture shall be less than the gross percentage payments then due and payable, then, but only so long as Distributor is distributing the Picture, Distributor shall advance the difference. All such advances by Distributor shall be deemed to be and treated in all respects as Completion Loans and Distributor shall have the right to recoup the same, together with accrued interest thereon, in the same manner as all other Completion Loans, plus accrued interest thereon. Distributor shall pay any remaining net receipts from the Picture to the parties listed below to reimburse and pay the following amounts in the order of priority hereinafter set forth:

(a) *First* – To Distributor and/or such third parties as Distributor shall cause to, make such loan or loans to Purchaser, the amount of the Production Loans advanced in connection with the Picture, together with accrued

interest thereon, and costs of collection, if any, plus all accrued interest on Preproduction Advances made in connection with the Picture, to the extent that such interest has not theretofore been paid;

(b) *Second* – To Distributor and/or such third party or parties as Distributor shall cause to make such loan or loans to Purchaser, the amount of the Completion Loans advanced in connection with the Picture, together with accrued interest thereon, and costs of collection, if any;

(c) *Third* – To Purchaser, the amount of the over-budget monies advanced by it in connection with the Picture, together with accrued interest thereon, and costs of collection, if any;

(d) *Fourth* – To any persons, *pari passu*, the amount of their deferred compensation as provided in the Final Production Budget of the Picture and approved in writing by Distributor, whether such deferred compensation is payable as earned or is accrued prior to payment;

(e) *Fifth* – Thereafter, all remaining net receipts shall be defined and referred to as the "net profits" of the Picture.

6. *Settlement Statements*. Purchaser agrees to furnish Owner with a copy of each settlement statement received by Purchaser from Distributor with respect to the Picture within ten (10) days after receipt thereof. The following sets forth Distributor's

obligations to furnish settlement statements to Purchaser.

With respect to gross receipts during the first thirty-six (36) months from and after the first release of the Picture, Distributor agrees to furnish Purchaser with quarterly settlement statements showing billings or collections, as the case may be, for each preceding three (3) month period. After the first thirty-six (36) months all statements shall be furnished semi-annually with regard to the preceding semi-annual period. Furthermore, within ninety (90) days after Distributor shall have earned any film rentals pursuant to any sale or license of the Picture by Distributor for exhibition of a free reception based to any U. S. national television network, Distributor shall furnish to Purchaser a settlement statement reflecting such film rentals as shall have been so earned. Distributor shall not be required to furnish any settlement statements for any period in which there are no receipts or expenses; nor in the case of foreign receipts, shall Distributor be required to report where Distributor has not received any information with respect to the foreign receipts. The said statements may be on a billings or on a collection basis, and Distributor shall have the right to change the method from time to time, but each statement shall specify whether it is on a billings or on a collection basis. In the event that the said statements shall be made on a billings basis, Distributor shall have the right in subsequent statements to make adjustments for uncollected bills. Each such statement shall

include a statement of the costs and expenses charged against or deducted from the gross receipts and/or the adjusted gross receipts of the Picture, as the case may be, as provided in the agreement between Distributor and Purchaser relating to the Picture. Purchaser shall, accompany each such statement with a remittance to Owner; or as Owner may direct, of such portions of the net profits of the Picture as may be due to Owner under the terms of the Principal Agreement and this Exhibit "A" as indicated by such statement.

7. *Keeping of Records*. Distributor shall maintain books of account and records of the distribution of the Picture. Purchaser or a reputable firm of certified public accountants on behalf of Purchaser may examine Distributor's books and records but only insofar as they pertain to the Picture, and may make copies and take excerpts from such books and records. Neither Purchaser nor such firm of certified public accountants shall have the right to make such examinations more frequently than semi-annually.

8. *Finality of Statements*. Any statement submitted to Owner by Purchaser or Distributor hereunder shall be deemed conclusively true and accurate if not disputed in writing within eighteen (18) months after such statement shall have been delivered to owner.

9. *Frozen Funds*. If, by reason of a moratorium, embargo, or banking or other restriction, Distributor finds it impracticable or impossible to have any

moneys derived from the Picture in foreign countries transmitted to New York, New York, it shall be under no obligation to include such moneys in the gross receipts of the Picture until such moratorium, embargo, banking or other restriction is lifted and the moneys are actually received by Distributor in New York. Distributor shall have the right to deal with and treat such moneys in the same manner in which it deals with and treats generally similar monies derived from other motion pictures, and provided that Distributor shall do so, Distributor's judgment with respect thereto shall be conclusive and binding. Distributor will exercise reasonable effort to procure the transmission to the United States of such moneys as are payable to Owner under this Exhibit "A" as promptly as reasonably possible at the prevailing rate of exchange and if Distributor is able to secure transmission of such monies or any part thereof to New York City, Owner will bear the entire cost and expense involved in any such transmission, and Distributor shall have the right to offset such cost and expense, to the extent incurred by Distributor, against the net profits payable to Owner with respect to the Picture. Owner agrees to be bound by the terms, provisions and conditions of any agreements heretofore or hereafter made by Distributor with other American distributors of motion pictures, or alone, with any Government relating to remittances from any country or territory to the United States. Accountings to Owner shall be for moneys actually received in dollars in New York from any country or territory according to such formulae of allocation

between its producers as Distributor may deem advisable, wise and reasonably necessary, and Owner agrees to accept any such formulae of allocation as binding and conclusive. Distributor shall not deduct from the funds in the United States the distribution fees to which it would otherwise be entitled from collections with respect to the Picture which are frozen or are otherwise restricted. If the transmission of monies from any foreign territory or country to the United States is prevented by embargo, moratorium or other restriction, then, if Owner shall so request in writing within sixty (60) days from the date when Owner is first notified in writing by Distributor or Purchaser that the transmission of such moneys is thus prevented by embargo, moratorium or other restriction, and if permitted by the laws of such territory or country, Distributor shall deposit such portion of the net profits for the Picture which Owner would be entitled to receive upon transmission of such moneys to New York, in Owner's name in any bank or other depository designated by Owner in each territory or country. Such deposit shall, for its purpose hereof, be deemed payment to Owner of the amount so deposited (computed at the official rate of exchange) and Distributor shall have no further liability of any kind or nature in connection with sums so deposited.

10. *Sublicense or Subdistribution*: The distribution fees of Distributor's sublicensees or subdistributors under any agreements whereunder Distributor sublicenses or subdistributes the 35mm theatrical

distribution rights to the Picture in any foreign territory on a percentage basis shall be borne by Distributor.

11. *Audit*: Subject to all of the limitations and the conditions applicable to Purchaser's rights under its agreement with Distributor, and subject to coordination with the rights of others entitled to receive contingent deferments and/or participations in the proceeds of the Picture and provided that Owner is entitled to receive any payment provided to be made pursuant to the provisions of Paragraph 4(b) of the Principal Agreement, Owner shall have the right either to join Purchaser in the audit of the books of account of the Distributor in respect to the first motion picture based upon the Property and produced in the exercise of the Rights under the Principal Agreement in any period if Purchaser exercises its right to do so (and in this connection, if Purchaser does elect to exercise its right of audit, Purchaser will give Owner notice thereof) or if Purchaser determines not to exercise its said right of audit in any period, to request Purchaser to exercise such right in Purchaser's behalf at Purchaser's sole cost and expense. If Purchaser elects to conduct an audit and Owner agrees to join in such audit, then Owner shall bear a share of the aggregate cost of any such audit which is proportionate to the participation in the net profits of such picture of such person or entities (including Purchaser) who join in such audit, and in the event of any failure on Owner's part to pay their share of such cost, then Purchaser shall have the right itself to

deduct or to cause Distributor to deduct and pay over to it, from any sums then or thereafter payable to Owner, an amount equal to Owner's unpaid share of such cost.

END OF EXHIBIT "A"

EXHIBIT B

FILED UNDER SEAL

**CONFIDENTIAL-
PURSUANT TO
PROTECTIVE ORDER**

Reference is made to that certain original literary work written by Jake LaMotta, Joseph Carter and Peter Savage (hereinafter collectively called the "Author") entitled "RAGING BULL" (hereinafter called the "Work").

Now, the undersigned, Chartoff-Winkler Productions, Inc. (hereinafter called "Producer"), for good and valuable consideration, receipt of and is hereby acknowledged hereby sells, assigns, transfers and conveys to United Artists Corporation (hereinafter called "United"), its successors and assigns, all right, title and interest, of whatsoever kind and nature, which Producer now has or may hereafter acquire in and to the following:

1. the Work and any and all outlines treatments, scenarios, scripts, and other literary, dramatic and/or musical material heretofore or hereafter

written based thereon or in connection therewith (hereinafter collectively called the "Literary Property");

2. any and all motion pictures which may hereafter be produced based upon the Literary Property (hereinafter collectively called the "Picture"); and

3. any and all agreements, assignments, licenses and other instruments or documents, of whatsoever kind and nature (hereinafter collectively called the "Documents") heretofore or hereafter made or executed which transfer rights in or to the Literary Property or the Pictures, or any version(s) thereof, from the Author and/or any other person(s), firm(s) or corporation(s) whatsoever to Producer.

The rights hereby assigned to United include, but are not limited to, any and all right, title and interest of whatsoever kind and nature, under copyright and extensions and renewals thereof (including, but not limited to, motion picture, television, and ancillary, subsidiary and allied rights) whether Statutory or common law, and otherwise, in and to the Literary Property, the Picture and the Documents and any and all tangible and intangible rights and properties respecting any or all of the foregoing, whether now in existence or hereafter arising (all of the aforesaid being hereinafter collectively called the "Property"). Producer hereby represents and warrants that it has not heretofore sold, assigned or in any way encumbered any of said right, title or interest, and that it will not hereafter sell, assign or in any way encumber any of said right, title or interest. Producer further

represents and, warrants that it owns all such right, title and interest herein conveyed and that it is fully able, empowered and authorized to sell and assign such right, title and interest herein conveyed to United.

Producer hereby agrees that it will appear in and defend, at its sole cost and expense, any and all claim(s), suit(s), action(s) or proceeding(s) of any nature under or concerning the Property or any part thereof in which rights inconsistent with, adverse to or in derogation of any of the rights herein conveyed, or agreed to be conveyed to United are asserted or alleged. Producer further agrees that United is hereby empowered to appear in and defend any or all such claim(s), suit(s), action(s) or proceeding(s) and that Producer shall fully indemnify United for all costs and expenses, including, but not limited to, reasonable attorneys' fees, suffered or incurred by United in connection with any such claim(s), suit(s), action(s) or proceeding(s). United, its successors and assigns, is hereby further empowered to bring, prosecute or assert any claim(s), suit(s), action(s) or proceeding(s) of any nature concerning the Property or any part thereof or concerning any infringement thereof, in the name of the copyright proprietor, in the name of Producer or in the name of United.

Any recovery of damages, penalties or costs in respect of or from infringement or violation of any copyright or its extensions or renewals, or any other right, title or interest herein granted or agreed to be granted by Producer to United, as a result of any claim(s), action(s), [illegible] or proceeding(s) brought

by United hereunder is hereby assigned to and shall be recoverable by and paid to United, its successors and assigns.

Producer hereby agrees to make, execute, acknowledge and deliver and to cause to be made, executed, acknowledged and delivered to United such further assignments, agreements, releases and other documents and instruments as may reasonably be required by United to more fully evidence, carry out or effectuate the purposes and intents hereof or any of United's rights hereunder and upon Producer's failure promptly to do so, Producer hereby appoints United its attorney-in-fact for such purposes (Producer hereby acknowledging that such appointment is coupled with an interest).

> This Assignment is for security purposes only and is subject to the terms and conditions of that certain Financing Agreement and that certain Sale Agreement, between Producer and United, as the same has been or may hereafter be amended, respecting, among other things, the Picture.

IN WITNESS WHEREOF, Producer has caused this Assignment, to be executed on the 26th day of September, 1978

CHARTOFF-WINKLER
PRODUCTIONS, INC.

By: /s/ [Illegible]
Its [Illegible]

STATE OF CALIFORNIA)

) ss:

COUNTY OF LOS ANGELES)

On this 26th day of September, in the year 1978 before me, a Notary public in and for said County and state, personally appeared Irwin Winkler Pres. of Chartoff-Winkler Prods., Inc., the corporation which executed the within instrument, and to me known to be the person who executed the within instrument on behalf of the said corporation therein named, and acknowledged to me that the said corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[NOTARY SEAL] /s/ Luba S. Keske

Notary Public

EXHIBIT C

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

PAULA PETRELLA, AN INDIVIDUAL, PLAINTIFF, VS. METRO-GOLDWYN-MAYER INC., A CORPORATION, ET AL., DEFENDANTS.	**CERTIFIED COPY** CASE No. CV-09-0072-GW(MANx)

DEPOSITION OF
PAULA PETRELLA
Los Angeles, California
Wednesday, July 22, 2009

* * *

[28] Q. Was Larry Shire the only attorney that you contacted?

A. Yes.

Q. And did you ultimately engage Larry Shire to be your counsel?

A. Yes.

Q. Was there an engagement agreement, written agreement, between you or your family and Mr. Shire or his firm?

THE DEPONENT: Can I answer that?

MS. EDELSON: You can answer that.

THE DEPONENT: No.

Q. BY MR. GROSSMAN: But it was your understanding that he was representing your family?

A. Yes.

Q. Did you meet with Mr. Shire or anyone in his office?

A. Yes.

Q. Did your mother also meet with Mr. Shire?

A. I don't think so.

Q. Were you the primary point person between the attorneys and your family, for purposes of the litigation?

A. Yes.

Q. And this is back in 1990, 1991?

[29] A. Yes.

Q. Were there any other attorneys that you worked with, on your claims, at Mr. Shire's firm?

A. Yes.

Q. Do you recall their names?

A. Yes. Karen Gottlieb or Gallagher. I don't remember which was her maiden name. She got married in the interim.

Q. Okay. Any others?

A. Not that I know of.

Q. Are you aware that someone from Mr. Shire's firm ultimately sent a letter to MGM/UA, making a claim on your behalf?

A. Yes.

Q. And that was in or around 1991?

A. I think that was later.

Q. How much later was it?

A. Around 1998.

Q. Do you know why there was a seven-year delay in making a demand or a claim?

MS. EDELSON: Objection.

You can answer that question to the extent it doesn't violate any attorney-client privileged communications.

THE DEPONENT: Okay.

[30] Well, MGM was sending me statements, at that point, that the film was deeply in debt and in the red and would probably never recoup. And also, I did not know, at that time, that there is a time frame.

Q. BY MR. GROSSMAN: MGM was sending statements at that time. Were you referring to 1991 or 1998?

A. Throughout that time.

Q. Okay.

A. It was in my father's contract to receive statements, because he was a net-profit participant.

Q. And where were those statements physically going to? Do you recall?

A. I don't recall exactly. Either my mother's address or mine. It might have switched.

Q. Okay. Was there any other reason, that you can recall, for not immediately making a claim in 1991, when you first engaged counsel?

MS. EDELSON: And that's the same objection and instruction. You can answer to the extent it doesn't reveal any attorney-client communications.

THE DEPONENT: No.

Q. BY MR. GROSSMAN: So the only reason that you can recall is because you reviewed the statements and you understood that the film hadn't made money to that point?

[31] MS. EDELSON: Same objection and instruction.

THE DEPONENT: Yes. And I also did not know there was a time limit to making such claims.

Q. BY MR. GROSSMAN: What do you mean by that? What's your understanding as to what the time limit is for making such a claim?

A. Basically, what I learned about laches in this lawsuit.

Q. Are you aware that in or about 1991, a renewal copyright registration was filed on behalf of you and your mother and your brother?

A. Yes.

Q. And that was for the 1963 screenplay; correct?

A. Yes.

Q. And that's one of the documents that you actually reviewed in connection with this case and turned over to the defendants; right?

A. Yes.

THE REPORTER: 1?

MR. GROSSMAN: 1.

(Exhibit 1 was marked.)

Q. BY MR. GROSSMAN: Just take a minute to review the document, and let me know when you've had a chance to review it.

A. Okay.

* * *

[47] A. I believe so.

Q. By the way, did you know Vickie La Motta?

A. I may have met her. I was young.

Q. Have you ever met Jake La Motta?

A. Hundreds of times.

Q. When was the last time you saw Jake La Motta?

A. 2005.

Q. When was the last time you spoke to Jake La Motta?

A. Probably 2006.

Q. And have you ever spoken to Jake La Motta about making a claim against the defendants in this case?

A. No.

Q. Where did you see him in 2005?

A. At MGM's 25th anniversary for "Raging Bull" – for the release of "Raging Bull."

Q. And was that here, in Los Angeles?

A. No. That was in New York.

Q. Going back to Exhibit 2. The characters of Jake, Vickie. And then there is an entry for "Pete/ Joey"; "Various Mob characters"; and "Opponents in

boxing events, including Robinson, Kochan, Janeiro, Fox, Cerdan, Dautheille"; the "Announcer at a Bronx nightclub"; and the last one is "Unidentified women who [48] Jake is interested in."

Are all of those characters that you've listed people or characters that existed in Jake La Motta's life?

A. As far as I know. I wasn't part of his life.

Q. Right. And you were born in 1964?

A. Yes.

Q. And the screenplay was written in 1963; correct?

A. Correct.

Q. So you don't have – we'll go through these, but you don't have personal knowledge of any of the events of Jake La Motta's life that were depicted in the 1963 screenplay; right?

A. No.

Q. The second subcategory is Section (b), at the bottom of page 3. And it talks about "The type and sequence of events."

You see that?

A. Yes.

Q. And it lists a number of – 15 specific sub-headings. You see those?

A. Yes.

Q. Including "Jake meets Vickie and they become a couple" as No. 3. 4 is "Mobsters visit Jake at the [49] gym." No. 9 is "Jake beats Cerdan for the title." "Jake retires from boxing." "Jake opens a nightclub."

As far as you know, are these all events that occurred in Jake La Motta's life?

A. As you said, I wasn't there at that time, so I can't say.

Q. But do you have any reason to believe that these events didn't occur in Jake La Motta's life?

A. No.

Q. Section (c) is "The themes and plot in both works." You see that?

A. Yes.

Q. It's on page 5. And the first one is a "Real-life boxer who grows up in the Bronx and comes from a poor Italian family."

And as far as you know, that was Jake La Motta? He grew up in the Bronx; right?

A. Yes.

Q. Number 2 is a "Boxer who wants to do things his own way." No. 3 is a "Boxer who has tumultuous relationships with his family." No. 4 is a "Boxer who physically fights in his career and

personal relationships." And there are actually 14 of these subheadings.

As far as you know, are these plot elements [50] things that actually occurred in Jake's life?

A. I only know what I read.

Q. What you read where?

A. In the screenplay.

Q. And in the book?

A. In all of the works. Anything that occurred before '63, I only heard through hearsay.

Q. And you have no reason to believe that these things didn't actually happen in Jake's life?

A. No. And some of these are actually stylistic elements, not events.

Q. What are you pointing at? What are you referring to?

A. Items 11, 12, 13, 14.

Q. "Use of newspaper and press photo montages," "Use of fight vignettes," and "Use of sound or picture footage"? That's what you are referring to?

A. Yes.

Q. Section (d) is "The settings in the film and the 1963 screenplay." It's at the bottom of page 5 and the beginning of page 6.

Do you see that?

A. Yes.

Q. There are a number of settings mentioned, including the "Bronx neighborhood," "Jake La Motta's [51] apartment," Miami, where Jake moved, and MSG and Detroit Stadium. There are actually nine of these subsections listed.

Do you see those?

A. Yes.

Q. And as far as you know, are these actual venues, that were part of Jake La Motta's life?

A. I would assume so.

Q. And you have no reason to believe that they were not?

A. No.

Q. And then I'll go down to Section (g), which states, "Screenplay and film contain substantially similar dialog."

Do you see that?

A. Yes.

Q. And that's on page 6 now. And then there are one, two, three, four, five – six subheadings, on pages 6 and 7.

A. Yes.

Q. You see those?

For example, No. 1 says: "Screenplay. Jake asks Pete: 'Hit me on the jaw. What are you, afraid?' Pete responds, 'What the hell did that prove?' Film. Jake asks Pete: 'Hit me in the face. What are you, [52] afraid?' Pete responds, 'What does it prove?'"

And there are a number of these dialog subsections on these two pages.

A. Yes.

Q. Do you have any reason to believe that these elements of dialog weren't part of Jake La Motta's life?

A. I can't say.

Q. One way or the other? You just don't know?

A. No.

Q. Now, on page 7, there is the second interrogatory, Interrogatory No. 2. And this asks for the alleged similarities between the book and the film, as opposed to the 1963 screenplay and the film. You see that?

A. Yes.

Q. And there is also a very long response to this one, breaking down between characters, setting, plot, dialog, things like that.

Right?

A. Yes.

Q. And this is a response that you created based on your notes and your comparisons; right?

A. Yes.

Q. And this particular response goes on to about page 15. And without going through each one of these,

* * *

[65] Q. I mean, no lawsuit was filed against any of the defendants in this case – right? – in 1991?

A. No. But I contacted MGM.

Q. You contacted MGM in 1991?

A. I think it was '98.

Q. '98?

A. Right.

Q. I'm just talking about 1991.

A. Okay.

Q. Because that's the date of the renewal registration. And we discussed that there was a delay; and that in 1998, there was some contact between Karen Gottlieb and someone at MGM.

A. Yes.

Q. And the reason for that delay, you testified, was that you'd been getting the participation statements, and it showed that the film was losing money up until 1998.

A. Yes.

Q. What was the reason that in 1998, you decided that it was time to actually make a claim and send a letter to MGM?

A. We felt we should defend my father's rights and put MGM on notice.

THE REPORTER: 5, Counsel?

* * *

[78] A. Yes.

Q. Why did you determine – why did you decide to engage another lawyer to pursue this claim in 2007?

A. As I mentioned, my mom's death was kind of a catalyst and made me rethink what I had lost and that I should be protecting my father's rights and his legacy.

Q. At this time, in about 2007 – or 2005 to 2007, were you still receiving participation statements from the defendants?

A. No.

Q. Do you know when you had stopped receiving those statements?

A. I vaguely recall a letter, in about 2000, stating that "We don't" – from MGM – that "We don't feel we should send you statements any longer, because the film will, likely, never go into profit."

Q. "It's too far underwater, so it's a waste of paper to keep telling you about this"?

A. Pretty much.

(Exhibit 10 was marked.)

Q. BY MR. GROSSMAN: I just had marked as Exhibit No. 10 a group of documents from your document production, Bates-numbered PP773 to PP791. Let me know when you've had a chance to review these documents.

A. Okay.

* * *

[84] Q. And on the second page, which is 782, is that your signature?

A. Yes.

Q. Okay. Following 782, there is a two-page initial registration, 783 and 784. That's for the 1970 book; correct?

A. Correct.

Q. And the authors of the book are listed as "Jake La Motta, Joseph Carter, and Peter Savage"; right?

A. Correct.

Q. And the title of that book was "Raging Bull: My Story"; right?

A. Yes.

Q. And you understand Mr. La Motta is still alive; right?

A. Yes.

Q. But you haven't spoken to him since 2006?

A. Correct.

Q. Do you recall what that last conversation was, that you had with Mr. La Motta, in 2006?

A. I was going to be in the city and wanted to say hello, but he wasn't going to be available.

Q. Do you know whether or not he is – he still has his faculties about him?

A. I don't think so.

[85] Q. You don't think that he any longer does?

A. No.

Q. Did he in 2006, when you spoke to him?

A. When I saw him in 2005, he couldn't quite understand who I was, even though he saw me grow up.

Q. Do you know whether or not he is living on his own right now?

A. I don't know.

Q. And when you had last seen him, was he being taken care of, by anyone?

A. It was at a social event, so he was sitting among many people. I don't know.

Q. Have you spoken to anyone about Mr. La Motta and his current state of health, recently?

A. I told my brother. Because he knew him too, of course.

Q. And have you heard from anyone else recently, in the last several years, between 2006 and 2009, about whether or not Mr. La Motta is in good health or not (sic)?

A. No.

Q. The next page, which is PP785, is a single e-mail. And it's from psavage64@aol.com to Ms. Rinard.

You see that?

A. Yes.

* * *

[95] PENALTY OF PERJURY CERTIFICATE

I hereby declare I am the witness in the within matter, that I have read the foregoing transcript and know the contents thereof; that I declare that the same is true to my knowledge, except as to the matters which are therein stated upon my information or belief, and as to those matters, I believe them to be true.

I declare being aware of the penalties of perjury, that the foregoing answers are true and correct.

Executed on the 17th day of August, 2009, at Los Angeles (CITY), CA (STATE).

/s/ Paula Petrella
PAULA PETRELLA

* * *

[97] I further certify that I am not a relative or employee or attorney or counsel of any of the parties, nor am I a relative or employee of such attorney or counsel, nor am I financially interested in the outcome of this action.

IN WITNESS WHEREOF, I have subscribed my name this 4th day of August, 2009.

/s/ Elena C. Chester
ELENA C. CHESTER, CSR No. 10274

EXHIBIT D

Exhibit 5 [exhibit sticker]

GRUBMAN INDURSKY & SCHINDLER, P. C.
ATTORNEYS AT LAW

CARNEGIE HALL TOWER
152 WEST 57TH STREET
NEW YORK, N.Y. 10010-3301
TELEPHONE: (212) 554-0400
TELEFAX: (210) 554-0444

WRITER'S DIRECT NUMBER
(212) 554-0443

[Attorney Names Omitted In Printing]

Via Registered Mail, Return Receipt

September 1, 1998

MGM/UA Entertainment Company
2500 Broadway Street
Santa Monica, California 90404
Attention: General Counsel

Re: "Raging Bull"

Dear Sir or Madam:

We represent the estate of Frank Peter Petrella, also known as Peter Savage, and his heirs. Reference is made to (i) the screenplay entitled "Raging Bull, Jake LaMotta; or The Ice Pick and The Glove" written by F. Peter Petrella and registered with the United States Copyright Office on October 9, 1963 (the "Screenplay"); and (ii) the assignment dated November 11, 1975 between Emmett Clary and Peter

Savage on one hand and Dino DeLaurentiis Corporation on the other regarding the Screenplay.

This letter is formal notice that the initial term of copyright in and to the Screenplay expired on or about October 8, 1991, at which time all copyrights, including, without limitation, the right to exploit derivative works, in and to the Screenplay vested in Mr. Petrella's heirs, as they had exercised their renewal rights. Any exploitation of any copyrights in and to the Screenplay, including, without limitation, exploitation of any derivative works, including, without limitation, the motion picture entitled "Raging Bull", occurring after the expiration of the initial term of copyright is an infringement upon and violation of the exclusive copyright and other exclusive proprietary intellectual property rights of my clients.

This is a serious violation and misappropriation of my clients' rights. Accordingly, if you wish to continue to exploit any derivate work based upon the Screenplay, you will need to acquire the right to do so from my clients. I suggest you contact me to this end; otherwise, we will have no choice but to ask you to cease and desist from the exploitation of any derivative works and to pursue any and all legal and/or equitable remedies that may be available to my clients.

In addition, I ask that you send us an accounting of all revenues derived in connection with the exploitation of copyrights in and to the Screenplay, including, without limitation, the exploitation of the motion

picture entitled "Raging Bull" and any other derivative works, occurring after the expiration of the initial term of copyright so that we can properly assess the damages my clients have suffered.

I look forward to hearing from you shortly.

The foregoing is without prejudice to any and all rights and remedies my clients may have in connection with this matter, all of which are hereby reserved.

Very truly yours,

/s/ Karen J. Gottlieb
Karen J. Gottlieb

cc: Eleanor Petrella
Lawrence Shire, Esq.

EXHIBIT E

Exhibit 6 [exhibit sticker]

LEGAL DEPARTMENT

Metro Goldwyn Mayer

[LOGO]

A METRO-GOLDWYN-MAYER STUDIOS INC.
2500 BROADWAY STREET,
SANTA MONICA, CALIFORNIA 90404-3061

PATRICIA VICTORIA MAYER
SENIOR VICE PRESIDENT
LEGAL DIVISION

September 14, 1998

Via Fax (212) 554-0444 and U.S. Mail
Karen J. Gottlieb, Esq.
Grubman Indursky & Schindler, P.C.
Carnegie Hall Tower
152 West 57th Street
New York, NY 10019

Subject: "Raging Bull"

Dear Ms. Gottlieb:

Thank you for your letter of September 1, 1998. When the Supreme Court case of *Stewart v. Abend* was decided, we reviewed the status of "Raging Bull" and we concluded that your clients did not have a claim under that case. We came to this conclusion for several reasons; the two main reasons relate to the authorship of the script and the substance of its contents.

First, the screenplay reviewed by your clients in 1991 was a collaboration between Frank Peter Petrella

(aka "Peter Savage") and Jake LaMotta and Jake LaMotta was alive in 1991 and, indeed, is still alive. Therefore, when your clients renewed the screenplay they renewed on behalf of both LaMotta and themselves. We therefore still have all necessary rights in the script pursuant to agreements with LaMotta.

Second, it is our understanding that no copyrightable elements from the 1991-renewed script appear in the classic motion picture, "Raging Bull." In other words, as a matter of copyright law the motion picture "Raging Bull" does not seem to be derivative of the screenplay at issue.

We take our responsibilities under the copyright laws of the United States very seriously and have approached all those who we believe have valid claims. Under the facts as we know them, you [sic] clients do not have a valid claim.

If you have knowledge of facts that differ from ours, please contact me. If you have a valid claim we will be pleased to negotiate with you.

Of course this letter is not intended to be a complete statement of the facts and MGM must reserve all its rights under law and in equity.

Very truly yours,

/s/ Patricia V. Mayer
Patricia V. Mayer

cc. Legal Files

EXHIBIT F

Exhibit 7 [exhibit sticker]

GRUBMAN INDURSKY & SCHINDLER, P. C.
ATTORNEYS AT LAW

CARNEGIE HALL TOWER
152 WEST 57TH STREET
NEW YORK, N.Y. 10019-3301
TELEPHONE: (212) 554-0400
TELEFAX: (210) 554-0444

WRITER'S DIRECT NUMBER
(212) 554-0443

[Attorney Names Omitted In Printing]

Via Registered Mail, Return Receipt and Facsimile to (310) 449-3029

November 12, 1998

Ms. Patricia Victoria Mayer
Senior Vice President, Legal Division
MGM/UA Entertainment Company
2500 Broadway Street
Santa Monica, California 90404

Re: "Raging Bull"

Dear Ms. Mayer:

Thank you for your letter of September 14, 1998. It appears, however, that your analysis is mistaken. My client's claim is based on the screenplay entitled "Raging Bull, Jake LaMotta; or The Ice Pick and The Glove" written by F. Peter Petrella and registered with the United States Copyright Office on October 9,

1963, Registration Number DU58670 (the "Screenplay"). A copy of such registration, clearly indicating that Frank Peter Petralla is the sole author thereof, is attached hereto for your convenience.

Although your reliance on *Stewart v. Abend* as the applicable legal precedent is correct, given that Mr. Petrella is the sole author of the Screenplay, the outcome of your analysis is not. Rather, the death of Mr. Petrella caused all copyrights in and to the Screenplay to vest in Mr. Petrella's heirs upon the expiration of the initial copyright term, as the heirs had exercised their renewal rights.

As to whether any copyrightable elements from the Screenplay appear in the motion picture "Raging Bull", this seems to be an issue of fact on which we disagree.

Accordingly, our position remains as stated in my letter of September 1, 1998. I again suggest that you contact me with respect to acquiring the right to continue exploiting "Raging Bull" or any other derivative work based upon the Screenplay. Otherwise, we will have no choice but to ask you to cease and desist from such exploitation and to pursue any and all legal and/or equitable remedies that may be available to Mr. Petrella's heirs. Additionally, I repeat my request for an accounting of all revenues derived in connection with the exploitation of copyrights in and to the Screenplay, including, without limitation, the exploitation of the motion picture entitled "Raging Bull"

and any other derivative works, occurring after the expiration of the initial term of copyright.

Finally, and apart from the matter discussed above, my clients are entitled to a share of the net profits of "Raging Bull" pursuant to (i) the agreement dated November 19, 1976 between Chartoff-Winkler Productions on one hand and Peter Savage and Jake LaMotta on the other hand and (ii) the agreement dated as of October 15, 1977 between Chartoff-Winkler Productions on one hand and Peter Savage Enterprises, Inc. As it has been several years since any statement was rendered to my clients, I ask that a copy of the most recent statement pertaining to this picture be forwarded to me for review.

Thank you in advance for your prompt response.

The foregoing is without prejudice to any and all rights and remedies my clients may have in connection with this matter, all of which are hereby reserved.

Very truly yours,

/s/ Karen J. Gottlieb
Karen J. Gottlieb

Enclosures

cc: Eleanor Petrella (w/encl.)
Lawrence Shire, Esq. (w/encl.)

EXHIBIT G

Exhibit 8 [exhibit sticker]

GRUBMAN INDURSKY & SCHINDLER, P. C.
ATTORNEYS AT LAW

CARNEGIE HALL TOWER
152 WEST 57TH STREET
NEW YORK, N.Y. 10019-3301
TELEPHONE: (212) 554-0400
TELEFAX: (210) 554-0444

WRITER'S DIRECT NUMBER
(212) 554-0443

[Attorney Names Omitted In Printing]

June 16, 1999

VIA FACSIMILE at *(310) 449-3029*
and FEDERAL EXPRESS

Ms. Patricia Victoria Mayer
Senior Vice President, Legal Division
MGM/UA Entertainment Company
2500 Broadway Street
Santa Monica, California 90404

Re: Raging Bull

Dear Ms. Mayer:

I have not received any response from you to my letter dated November 12, 1998 which, together with my letter dated September 1, 1998, is incorporated herein by reference. As was pointed out to you in my November 12, 1998 letter, the interpretation in your

September 14, 1998 letter of my client's rights with respect to the referenced film was misguided. Specifically, Frank Peter Petrella, also known as Peter Savage, is the sole author of the screenplay entitled "Raging Bull, Jake LaMotta; or The Ice Pick and The Glove" from which the subsequent two screenplays, book and motion picture were derived. Thus your legal analysis, which relied on Jake Lamotta being alive, is moot.

In addition to your failure to address, or even acknowledge, that you must contact me if you wish to continue exploiting "Raging Bull" or any other derivative work based upon the Screenplay, you have ignored my two requests for an accounting of all revenues derived from same, to which my client is entitled. As a result, I now hereby demand that you immediately cease and desist from any exploitation of any copyrights in and to the Screenplay, including, without limitation, exploitation of any derivative works, including, without limitation, the motion picture entitled "Raging Bull."

I again request, now for the third and final time, that you contact me about acquiring rights to continue exploiting the Screenplay, and that you provide an accounting of your past exploitation. If I do not hear from you within five business days of this letter, I will begin to pursue any and all legal and/or equitable remedies that may be available to our client.

The foregoing is without prejudice to all rights and remedies our client may have in connection with this matter, all of which are hereby expressly reserved.

Very truly yours,

/s/ Karen J. Gottlieb
Karen J. Gottlieb

cc: Eleanor Petrella
Lawrence Shire, Esq.
Richard Falek, Esq.

EXHIBIT H

Exhibit 2 [exhibit sticker]

Glen Kulik, Esq. (SBN 82170) (gkulik@kgmslaw.com)
Alisa S. Edelson (SBN 216269) (aedelson@kgmslaw.com)
KULIK, GOTTESMAN, MOUTON & SIEGEL, LLP
15303 Ventura Boulevard, Suite 1400
Sherman Oaks, California 91403
Telephone: (310) 557-9200; (818) 817-3600
Facsimile: (310) 557-0224

Attorneys for Plaintiff
PAULA PETRELLA

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

PAULA PETRELLA, an individual, Plaintiff, v. METRO-GOLDWYN-MAYER, INC., corporation; METRO-GOLDWYN-MAYER STUDIOS, INC., a corporation; METRO-GOLDWYN-MAYER HOME ENTERTAINMENT, LLC, a limited liability company; METRO-GOLDWYN-MAYER HOME ENTERTAINMENT DISTRIBUTION CORPORATION, a corporation; UNITED ARTISTS CORPORATION, a	Case No. CV 09-0072 GW (MANx) **AMENDED RESPONSES OF PLAINTIFF PAULA PETRELLA TO SPECIAL INTERROGATORIES NOS. 1-4, 6, AND 7 BY DEFENDANT METRO-GOLDWYN-MAYER INC.**

corporation; 20TH CENTURY FOX HOME ENTERTAINMENT, LLC, a limited liability company; and DOES 1 THROUGH 10, inclusive,

Defendants.

* * *

SPECIFIC AMENDED RESPONSES

SPECIAL INTERROGATORY NO. 1:

Describe in detail all alleged similarities between THE 1963 SCREENPLAY and THE FILM.

AMENDED RESPONSE TO SPECIAL INTERROGATORY NO. 1:

In addition to the foregoing objections, Plaintiff objects on the basis this Interrogatory is burdensome, harassing, and oppressive. Further, this Interrogatory calls for a layperson to offer a legal and an expert opinion.

Subject to and without waiving the foregoing objections, Plaintiff submits she believes the similarities are as follows:

(a) Many of the characters and their roles within the drama are substantially similar as follows:

(i) Jake La Motta

(ii) Vickie La Motta

(iii) Pete/Joey (Jake's good friend/brother who acts as a sparring partner and/or trainer/manager)

(iv) Various mob characters including Salvy

(v) Opponents in boxing events including Robinson, Kochan, Janeiro, Fox, Cerdan, Dautheille. These fights are depicted in substantially the same order.

(vi) Announcer/proprietor at Bronx night-club who introduces Jake La Motta to the customers

(vii) Unidentified women who Jake is interested in

(b) The type and sequence of events are also substantially similar as described below:

(i) Jake demands Pete/Joey character hit him in the face.

(ii) Pete/Joey is Jake's sparring partner who eventually quits.

(iii) Jake meets Vickie and they become a couple.

(iv) Mobsters visit Jake at the gym and also try to influence Pete/Joey character that Jake needs to cooperate with the mob.

(v) Vickie is unhappy with her relationship with Jake. She confides in Pete/Joey and tells him she is bored and feels trapped. Both works also imply

Vickie may be romantically involved with someone in the mob. Pete/Joey beats Salvy up because of Vickie.

(vi) Jake's weight is an issue for the Janeiro fight. Pete/Joey discusses this fight with Jake.

(vii) Jake throws the fight against Fox, but won't go down. He is accused of throwing the fight and eventually suspended from boxing. After, newspapers with headlines regarding the fight are thrown about and Jake is distraught.

(viii) Pete/Joey watches Jake fight Robinson on television.

(ix) Jake beats Cerdan and wins the title and cries.

(x) Jake retires from boxing and moves to Miami with Vickie and his children.

(xi) Jake opens his own nightclub.

(xii) Vickie catches Jake at the nightclub with women and tells him she is leaving him.

(xiii) Jake is arrested and charged with serving alcohol to a minor and prostituting a minor. When Jake is arrested at his nightclub, one of the arresting officers tells Jake he does not know the reason why.

(xiv) Jake is convicted and sent to prison where he is resigned and defeated.

(xv) After his release from prison, Jake entertains audiences in small and pathetic venues.

(c) The themes and plot in both works are substantially similar as described below:

(i) Real life boxer who grows up in the Bronx and comes from a poor Italian family.

(ii) Boxer wants to do things his own way – in life, in relationships, in boxing and without the mob's help. He is an egotistical and jealous person.

(iii) Boxer has tumultuous relationships with his family and brother/close friend. He beats his wife and brother/close friend.

(iv) Physically fights in his career and personal relationships.

(v) Boxer's jealousy and obsession with wife.

(vi) A chronological perspective of Jake's life.

(vii) A fighter who won't quit – he will do everything to stand up in the ring and not let anyone knock him out no matter how many hits he takes.

(viii) A person who feels like he should be punished and accepts his punishment for things he has done. For instance, he accepts his punishment physically by letting others hit him.

(ix) A washed up boxer who tries performing because he needs some kind of a comeback.

(x) Boxer who struggles with his weight.

(xi) Use of newspaper and press photo montages.

(xii) Use of fight vignettes; vignettes of Jake's personal life.

(xiii) Use of sound or picture footage from actual fights.

(xiv) Popping camera flashbulbs.

(d) The settings in the Film and 1963 Screenplay are substantially similar as described below:

(i) Bronx neighborhood

(ii) Jake La Motta's apartment in the Bronx

(iii) Bronx gymnasium

(iv) Bronx nightclubs

(v) Miami, Florida home of Jake and Vickie La Motta

(vi) Fight arenas including Detroit Stadium and Madison Square Garden

(vii) Florida prison

(viii) Jake La Motta's nightclub in Miami, Florida

(ix) Small entertainment venues in New York City where Jake La Motta performs

(e) The mood and pace are substantially similar. Both works are dramatic, physically and emotionally violent, fast paced, dark, and action laden.

(f) The Screenplay and Film share the title "Raging Bull."

(g) The Screenplay and Film contain substantially similar dialogue:

(i) Screenplay – Jake asks Pete "hit me on the jaw . . . What are you, afraid?" Pete responds "What the hell did that prove?" Film – Jake asks Pete "hit me in the face . . . What are you, afraid?" Pete responds "What does it prove?"

(ii) Screenplay – Pete asks Vickie why she tried to cheat on Jake. She explains "We never go anyplace . . . I'm young . . . I have to be in bed by 10 every night . . . He never even makes love to me . . . I'm just sick of it!" Pete tells her Jake has a "burning drive to be Champion," and it'll be better when Jake quits fighting. She says, "He'll never get the championship, never! . . . he won't listen to anyone." Film – Vickie La Motta explains to Joey about why she is socializing with mobsters. "I feel like I'm a prisoner . . . I look at somebody the wrong way, I get smacked . . . I'm 20 years old, I gotta go home and sleep by myself every night . . . this guy don't even wanna f* * * me anymore," Joey tells her Jake will be better when he gets his shot at the title. She says, "Jake is never gonna be champ – too many people hate him."

(iii) Screenplay – Emcee at a nightclub announces Jake who stands and nods: " . . . that rough, tough fighting middleweight known as the 'Bronx Bull' – JAKE LA MOTTA." Film – Emcee at the Copacabana nightclub announces Jake who stands and nods: " . . . The world's leading middleweight contender, the Bronx Bull, the Raging Bull, let's hear it for the great JAKE LA MOTTA, Ladies and Gentlemen!"

(iv) Screenplay/Film – Commentator for Dautheuille [sic] fight remarks that Jake is "playing possum."

(v) Screenplay – Regarding the prostitution charges, Jake La Motta tells Pete that "I introduce thousands of people to other people. It's part of my function – I am the host." Film – Regarding the prostitution charges, Jake La Motta tells detective that "I introduce a lot of people to a lot of people. (Gesturing toward one officer) I introduced him to men, but I don't say nothing."

(vi) Screenplay – Jake remarking on his appeal for the prostitution charges: "for 10 thousand, they guarantee I'll win my appeal." Film – Jake remarking on his appeal for the prostitution charges: "My lawyer says if I could spread ten thousand around, I can get the case dropped."

SPECIAL INTERROGATORY NO. 2:

Describe in detail all alleged similarities between THE BOOK and THE FILM.

AMENDED RESPONSE TO SPECIAL INTERROGATORY NO. 2:

In addition to the foregoing objections, Plaintiff also objects on the basis this Interrogatory is burdensome, harassing, and oppressive. Further, this Interrogatory it calls for a layperson to offer a legal and an expert opinion.

Subject to and without waiving the foregoing objections, Plaintiff submits she believes the similarities are as follows:

(a) Many of the characters and their roles within the drama are substantially similar as follows:

(i) Jake La Motta

(ii) Vickie La Motta

(iii) Pete/Joey (Jake's good friend/brother who acts as a sparring partner and/or trainer/manager)

(iv) Jake La Motta's first wife

(v) Mob boss Nick/Tommy

(vi) Various other mob characters including Salvy

(vii) Opponents in boxing events – Robinson, Janeiro, Fox, Cerdan, Dautheille [sic]. These fights are depicted in substantially the same order.

(viii) Announcer/proprietor at Bronx nightclub who introduces Jake La Motta to the customers

(ix) Unidentified women who Jake is interested in

(b) The type and sequence of events are also substantially similar as described below:

(i) Jake demands Pete/Joey character hit him in the face.

(ii) Pete/Joey is Jake's sparring partner who eventually quits.

(iii) Jake meets Vickie and they become a couple.

(iv) Mobsters visit Jake at the gym and also try to influence Pete/Joey character that Jake needs to cooperate with the mob.

(v) Vickie is unhappy with her relationship with Jake. She confides in Pete/Joey and tells him she is bored and feels trapped. Both works also imply Vickie may be romantically involved with someone in the mob. Pete/Joey beats Salvy up because of Vickie.

(vi) Jake's weight is an issue for the Janeiro fight. Joey discusses this fight with Jake.

(vii) Jake throws the fight against Fox, but won't go down. He is accused of throwing the fight and eventually suspended from boxing.

(viii) After the Reeves fight, a riot ensues where chairs are thrown, the police try to maintain order, and the organist plays the national anthem.

(ix) Jake questions Vickie about cheating on him. She runs into the next room, locks the door and he breaks it down.

(x) Jake beats up Pete/Joey because he thinks Pete/Joey and Vickie are having an affair. Vickie pushes and slaps Jake. Jake later convinces Vickie not to leave him because of what he did. Later, Jake calls Pete/Joey to apologize for beating him up but can't speak.

(xi) Jake beats Cerdan and wins the title and cries.

(xii) Jake retires from boxing and moves to Miami with Vickie and his children.

(xiii) Jake opens his own nightclub.

(xiv) Vickie catches Jake at the nightclub with women and tells him she is leaving him.

(xv) Jake is arrested and charged with serving alcohol to a minor and prostituting a minor. When Jake is arrested at his nightclub, one of the arresting officers tells Jake he does not know the reason why.

(xvi) Jake is convicted and sent to prison where he is resigned and defeated. Jake cries out that he is not an animal.

(xvii) After his release from prison, Jake entertains audiences in small and pathetic venues.

(xviii) Jake sees Pete/Joey on the street leaving a coffee shop carrying a small paper bag and tells a companion he is going to take a walk. Jake approaches Pete/Joey and tries to talk to him. Pete/Joey opens the car and then Jake grabs him to try and reconcile.

(c) The themes and plot in both works are substantially similar as described below:

(i) Real life boxer who grows up in the Bronx and comes from a poor Italian family.

(ii) Boxer wants to do things his own way – in life, in relationships, in boxing and without the mob's help. He is an egotistical and jealous person.

(iii) Boxer has tumultuous relationships with his family and brother/close friend. He beats his first and second wives and brother/close friend.

(iv) Physically fights in his career and personal relationships including abusive relationship with his first and second wife.

(v) Boxer's jealousy and obsession with wife.

(vi) A chronological perspective of Jake's life.

(vii) A fighter who won't quit – he will do everything to stand up in the ring and not let anyone knock him out no matter how many hits he takes.

(vii) A person who feels like he should be punished and accepts his punishment for things he has done. For instance, he accepts his punishment physically by letting others hit him.

(ix) A washed up boxer who tries performing because he needs some kind of a comeback.

(x) Boxer who struggles with his weight.

(xi) Use and reference to black and white.

(xii) Use of newspaper and press photo montages.

(xiii) Use/reference to dripping blood.

(d) The settings in the Book and Film are substantially similar as described below:

(i) Bronx neighborhood

(ii) Jake La Motta's apartment in the Bronx

(iii) Bronx gymnasium

(iv) Bronx nightclubs

(v) Miami, Florida home of Jake and Vickie La Motta

(vi) Fight arenas including Detroit Stadium and Madison Square Garden

(vii) Florida prison

(viii) Jake La Motta's Nightclub in Miami, Florida

(ix) Small entertainment venues in New York City where Jake La Motta performs

(e) The mood and pace are substantially similar. Both works are dramatic, physically and emotionally violent, fast paced, dark, and action laden.

(f) The Book and Film share the title "Raging Bull."

(g) The Book and Film contain substantially similar dialogue:

(i) Book – Jake asks Pete "hit me on the jaw . . . Whatsamatter, you afraid?" Pete responds "Now do you mind telling me what the hell that proved?" Film – Jake asks Pete "hit me in the face. . . . What are you, afraid?" Joey responds "What does it prove?"

(ii) Book Pete asks Vickie why she tried to cheat on Jake. She explains "It's like living in a goddamned jail . . . I'm young . . . I want a little fun out of life . . . he belts me if he just thinks that I looked the wrong way at some other guy . . . he's just punched the love out of me!" Pete says, " . . . he's under a lot of pressure . . . you know how determined he is to get to the top, to be . . . world's champion." Vickie responds, "I don't think he'll ever be champ . . . He's got too many people against him." Film – Vickie

La Motta explains to Joey about why she is socializing with mobsters. "I feel like I'm a prisoner . . . I look at somebody the wrong way, I get smacked . . . I'm 20 years old, I gotta go home and sleep by myself every night . . . this guy don't even wanna f*** me anymore," Joey tells her Jake will be better when he gets his shot at the title. She says, "Jake is never gonna be champ – too many people hate him."

(iii) Book – Regarding the Joe Louis fight, Jake says to Pete "No matter how big I get, I'll never get big enough to fight Louis. Joe Louis." Film – Jake says to Joey "No matter how big I get, no matter who I fight, no matter what I do, I ain't never gonna fight Joe Louis . . . "

(iv) Book – Emcee at a nightclub announces Jake who stands and nods: " . . . that rough, tough fighting middleweight known as the 'Bronx Bull' . . . Ladies and Gentlemen, let's give a hand to . . . JAKE LA MOTTA!" Film – Emcee at the Copacabana night club announces Jake who stands and nods: " . . . The world's leading middleweight contender, the Bronx Bull, the Raging Bull, let's hear it for the great JAKE LA MOTTA, Ladies and Gentlemen!"

(v) Book – Jake loses the third Robinson fight and comments: " . . . Robinson was going in the Army the next day. . . . He got a decision by one miserable vote after I decked him once." Film – Joey comments on the loss of the third Robinson fight: "They only gave him that f***ing decision 'cause he's

going in the Army next week . . . They're miserable because their mothers take it up the f***ing a***."

(vi) Book – Jake says to Pete about not getting a shot at the title: "Maybe I'm being punished for all the wrong things I done . . . We did some pretty bad things . . . " Film – Jake says to Joey "I done a lot of bad things, Joey, maybe it's coming back to me . . . "

(vii) Book – At the Debonair Social Club, Nick holds court with Pete and Salvy. Nick says to Pete, " . . . you been around long enough to know . . . you shouldn't lift your fists to one of my boys . . . This time, you're getting away with it. . . . How are you Petey boy?" Pete shrugs, "Okay." Nick: "I don't figure you, Pete . . . Whatsa matter with you and the quick answers. You want to get outta here fast?" Nick tells his boys to leave so he can talk to Pete. Nick: "Look, Pete, I want you to do me a favor . . . You gotta talk to Jake . . . that boy is gettin' to be a real embarrassment to me . . . I got a boss too . . . " Pete: "He's convinced he can buck the system and make it on his own," Nick: "Make it on his own? . . . the boys are gonna sit by and see some nut come in there and hold one of the two or three most important titles in the world? He's crazy! A nut who don't listen to anybody or respect anybody? Listen, Pete, you understand, you tell him. I don't care how great he is or how colorful, he ain't gonna get a crack at the title without us." Film – At the Debonair Social Club, Tommy holds court with Pete and Salvy. Tommy, "Joey . . . you don't raise your hand, you don't create a scene . . . and, we're gonna forget about it." Tommy asks Salvy to

leave so he can talk to Joey. Tommy, " . . . the family alright?" Joey: "Yeah, they're fine, everybody's fine." Tommy: "What is it with all the quick answers? . . . You wanna get out of here fast or something?" Tommy: "Now, Jake, the guy has become an embarrassment . . . he's embarrassing me with certain people . . . I can't deliver a kid from my own goddamn neighborhood . . . " Joey: "He wants to make it on his own, he thinks he can make it on his own . . . " Tommy: "He thinks he's gonna walk in there and become Champion on his own? . . . he's got no respect for nobody . . . Now you do this for me, you understand, you tell him I don't care how colorful he is, how great he is, . . . but he ain't gonna get a shot at that title, not without us he ain't. Now you're a smart kid, you go there and you tell him."

(viii) Book – Jake remarks about the Fox fight: " . . . a couple of belts to his head, and I see a glassy look coming over his eyes. Jesus Christ a couple of jabs and he's going to fall down? I began to panic a little. I was supposed to be throwing a fight to this guy, and it looked like I was going to end up holding him on his feet." Film – Jake and Joey discuss the Fox fight. Jake: "You don't understand . . . he's a bum. I tapped him like that, all of a sudden he's like this (wobbly) all over the place. What am I gonna do?" Joey, "Well, you don't gotta f***ing pick him up and help him." Jake: "Well what am I gonna do? If I don't pick him up then what am I gonna do? I'm gonna be in worse trouble!"

(ix) Book – After Jake beats up Pete, Vickie calls him and [sic] "Animal" and a "Beast." Film – When Jake beats up Joey, Vickie yells at Jake "you sick animal, . . . you piece of shit!"

(x) Book/Film – When Vickie tries to leave him, Jake begs her to stay: "Vickie . . . Don't leave me . . . I'm a bum without you and kids."

(xi) Book – Jake ask detectives why he is being taken in for questioning and one detective says "I don't know. I don't run the joint. All I know is, they say bring in La Motta." Film – Jake ask detectives why he is being taken in for questioning and one detective says "I don't know. I don't run the joint. They just told me to bring you in."

(xii) Book – Jake remarks about underage girls drinking in his bar: "She said I kissed her and I told the bartender, any doll who can kiss like that has to be over twenty-one." Film – Jake remarks about underage girls drinking in his bar: "Any girl that can kiss like that can drink in my joint anytime."

(xiii) Book – Jake remarking on his appeal for the prostitution charges: "ten thousand dollars and they'll guarantee a reversal in the upper courts." Film – Jake remarking on his appeal for the prostitution charges: "My lawyer says if I could spread ten thousand around, I can get the case dropped."

(xiv) Book – While in the hole in the Florida prison, Jake screams: "Why? . . . I'm not that guy . . . I'm not the guy they all say I am . . . I'm not . . .

I'm not . . . I'm different . . . inside, I'm different . . . I'm not that guy . . . I never meant to hurt anybody . . . I'm not that guy . . . I'm not . . . " Film – While in the hole in the Florida prison, Jake screams: "Why, why, why, why . . . ? They called me an animal. I'm not an animal . . . I'm not that bad . . . I'm not that guy . . . I'm not that guy . . . I'm not that guy."

SPECIAL 1NTERROGATORY NO. 3:

Describe in detail all alleged similarities between THE 1973 SCREENPLAY and THE FILM.

AMENDED RESPONSE TO SPECIAL INTERROGATORY NO. 3:

In addition to the foregoing objections, Plaintiff also objects on the basis this Interrogatory is burdensome, harassing, and oppressive. Further, this Interrogatory calls for a layperson to offer a legal and an expert opinion.

Subject to and without waiving the foregoing objections, Plaintiff submits she believes the similarities are as follows:

(a) Many of the characters and their roles within the drama are substantially similar as follows:

(i) Jake La Motta

(ii) Vickie La Motta

* * *

SPECIAL INTERROGATORY NO. 4:

Describe in detail all the alleged infringing material contained in THE FILM.

AMENDED RESPONSE TO SPECIAL INTERROGATORY NO. 4:,

In addition to the foregoing objections, Plaintiff also objects on the, basis this Interrogatory is burdensome, harassing, and oppressive as well as vague and ambiguous as to the term "alleged infringing material." Further, this Interrogatory calls for a layperson to offer a legal and an expert opinion.

Subject to and without waiving the foregoing objections, Plaintiff submits she believes the following infringing material is contained in the Film: See amended responses to Special Interrogatories Nos. 1-3.

SPECIAL INTERROGATORY NO. 6:

Describe in detail all "elements" of the 1963 Screenplay that YOU allege were used in THE FILM.

AMENDED RESPONSE TO SPECIAL INTERROGATORY NO. 6:

In addition to the foregoing objections, Plaintiff also objects on the basis this Interrogatory is burdensome, harassing, and oppressive as well as vague and ambiguous as to the term "elements." Further, this

Interrogatory calls for a layperson to offer a legal and an expert opinion.

Subject to and without waiving the foregoing objections, Plaintiff submits she believes the following "elements" of the 1963 Screenplay were used in the Film:

(a) The Film uses substantially similar characters and their roles as follows:

(i) Jake La Motta

(ii) Vickie La Motta

(iii) Pete/Joey (Jake's good friend/brother who acts as a sparring partner and/or trainer/manager)

(iv) Various mob characters including Salvy

(v) Opponents in boxing events including Robinson, Kochan, Janeiro, Fox, Cerdan, Dautheille [sic]. These fights are depicted in substantially the same order.

(vi) Announcer/proprietor at Bronx-nightclub who introduces Jake La Motta to the customers

(vii) Unidentified women who Jake is interested in

(b) The Film uses substantially similar types and sequence of events as described below:

(i) Jake demands Pete/Joey character hit. him in the face.

(ii) Pete/Joey is Jake's sparring partner who eventually quits.

(iii) Jake meets Vickie and they become a couple.

(iv) Mobsters visit Jake at the gym and also try to influence Pete/Joey character that Jake needs to cooperate with the mob.

(v) Vickie is unhappy with her relationship with Jake. She confides in Pete/Joey and tells him she is bored and feels trapped. Both works also imply Vickie may be romantically involved with someone in the mob. Pete/Joey beats Salvy up because of Vickie.

(vi) Jake's weight is an issue for the Janeiro fight. Pete/Joey discusses this fight with Jake.

(vii) Jake throws the fight against Fox, but won't go down. He is accused of throwing the fight and eventually suspended from boxing. After, newspapers with headlines regarding the fight are thrown about and Jake is distraught.

(viii) Pete/Joey watch Jake fight Robinson on television.

(ix) Jake beats Cerdan and wins the title and cries.

(x) Jake retires from boxing and moves to Miami with Vickie and his children.

(xi) Jake opens his own nightclub.

(xii) Vickie catches Jake at the nightclub with women and tells him she is leaving him.

(xiii) Jake is arrested and charged with serving alcohol to a minor and prostituting a minor. When Jake is arrested at his nightclub, one of the arresting officers tells Jake he does not know the reason why.

(xiv) Jake is convicted and sent to prison where he is resigned and defeated.

(xv) After his release from prison, Jake entertains audiences in small and pathetic venues.

(c) The Film uses substantially similar themes and plot as follows:

(i) Real life boxer who grows up in the Bronx and comes from a poor Italian family.

(ii) Boxer wants to do things his own way – in life, in relationships, in boxing and without the mob's help. He is an egotistical and jealous person.

(iii) Boxer has tumultuous relationships with his family and brother/close friend. He beats his wife and brother/close friend.

(iv) Physically fights in his career and personal relationships.

(v) Boxer's jealousy and obsession with wife.

(vi) A chronological perspective of Jake's life.

(vii) A fighter who won't quit – he will do everything to stand up in the ring and not let anyone knock him out no matter how many hits he takes.

(viii) A person who feels like he should be punished and accepts his punishment for things he has done. For instance, he accepts his punishment physically by letting others hit him.

(ix) A washed up boxer who tries performing because he needs some kind of a comeback.

(x) Boxer who struggles with his weight.

(xi) Use of newspaper and press photo montages.

(xii) Use of fight vignettes; vignettes of Jake's personal life.

(xiii) Use of sound or picture footage from actual fights.

(xiv) Popping camera flashbulbs.

(d) The Film uses substantially similar settings as described below:

(i) Bronx neighborhood

(ii) Jake La Motta's apartment in the Bronx

(iii) Bronx gymnasium

(iv) Bronx nightclubs

(v) Miami, Florida home of Jake and Vickie La Motta

(vi) Fight arenas including Detroit Stadium and Madison Square Garden

(vii) Florida prison

(viii) Jake La Motta's nightclub in Miami, Florida

(ix) Small entertainment venues in New York City where Jake La Motta performs

(e) The Film has a substantially similar mood and pace. The Film is also dramatic, physically and emotionally violent, fast paced, dark, and action laden.

(f) The Film uses the word "Raging Bull" in the title.

(g) The Film contains substantially similar dialogue:

(i) Screenplay – Jake asks Pete "hit me on the jaw . . . What are you, afraid?" Pete responds "What the hell did that prove?" Film – Jake asks Pete "hit me in the face . . . What are you, afraid?" Pete responds "What does it prove?"

(ii) Screenplay – Pete asks Vickie why she tried to cheat on Jake. She explains "We never go anyplace . . . I'm young . . . I have to be in bed by 10 every night . . . He never even makes love to me . . . I'm just sick of it! Pete tells her Jake has a "burning drive to be champion," and it'll be better when Jake quits fighting. She says, "He'll never get the championship, never! . . . he won't listen to anyone." Film –

Vickie La Motta explains to Joey about why she is socializing with mobsters. "I feel like I'm a prisoner . . . I look at somebody the wrong way, I get smacked . . . I'm 20 years old, I gotta go home and sleep by myself every night . . . this guy don't even wanna f*** me anymore," Joey tells her Jake will be better when he gets his shot at The title. She says, "Jake is never gonna be champ – too many people hate him."

(iii) Screenplay – Emcee at a nightclub announces Jake who stands and nods: " . . . that rough, tough fighting middleweight known as the 'Bronx Bull' JAKE LA MOTTA." Film – Emcee at the Copacabana nightclub announces Jake who stands and nods: " . . . The world's leading middleweight contender, the Bronx Bull, the Raging Bull, let's hear it for the great JAKE LA MOTTA, Ladies and Gentlemen!"

(iv) Screenplay/Film – Commentator for Dautheuille [sic] fight remarks that Jake is "playing possum."

(v) Screenplay – Regarding the prostitution charges, Jake La Motta tells Pete that "I introduce thousands of people to other people. It's part of my function – I am the host." Film – Regarding the prostitution charges, Jake La Motta tells detective that "I introduce a lot of people to a lot of people. (Gesturing toward one officer) I introduced him to men, but I don't say nothing."

(vi) Screenplay – Jake remarking on his appeal for the prostitution charges: "for 10 thousand,

they guarantee I'll win my appeal." Film – Jake remarking on his appeal for the prostitution charges: "My lawyer says if I could spread ten thousand around, I can get the case dropped."

SPECIAL INTERROGATORY NO. 7:

Describe in detail all "elements" of the 1973 Screenplay that YOU allege were used in THE FILM.

AMENDED RESPONSE TO SPECIAL INTERROGATORY NO. 7:

In addition to the foregoing objections, Plaintiff also objects on the basis this Interrogatory is burdensome, harassing, and oppressive as well as vague and ambiguous as to the term "elements." Further, this Interrogatory calls for a layperson to offer a legal and an expert opinion.

Subject to and without waiving the foregoing objections, Plaintiff submits she believes the following "elements" from the 1973 Screenplay were used in the Film:

(a) The Film uses substantially similar characters and their roles as follows:

(i) Jake La Motta

(ii) Vickie La Motta

(iii) Pete/Joey (Jake's good friend/brother who acts as a sparring. partner and/or trainer/manager)

(iv) Jake La Motta's first wife

(v) Mob boss Nick/Tommy

(vi) Various other mob characters including Salvy

(vii) Opponents in boxing events – Robinson, Kochan, Janeiro, Fox, Cerdan, Dautheille [sic]. These fights are depicted in substantially the same order.

(viii) Announcer/proprietor at Bronx nightclub who introduces Jake La Motta to the customers

* * *

VERIFICATION

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I have read the foregoing **AMENDED RESPONSE TO SPECIAL INTERROGATORIES NOS. 1-4, 6, AND 7 BY DEFENDANT METRO-GOLDWYN-MAYER INC.** and know its contents.

I am a party to this action. The matters stated in the foregoing document are true of own knowledge except as to those matters which are stated on information and belief and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the going is true and correct.

Executed this 5th day of June 2009, at Los Angeles, California.

/s/ Paula Petrella
PAULA PETRELLA

EXHIBIT I

Oct -9 1963
[Stamp]

Du 58670
[Stamp]

TENTATIVE TITLES:

THE RAGING BULL (JAKE LAMOTTA)

or

THE ICE PICK AND THE GLOVE

Written by:

F. Peter Petrella
in collaboration with
Jake La Motta

EXHIBIT J

RAGING BULL

My Story

by Jake La Motta

with Joseph Carter and Peter Savage

PRENTICE-HALL, INC.
Englewood Cliffs, N.J.

7/9/70
[Handwritten]

COPYRIGHT OFFICE
JUL 9- 1970
COPY
LIBRARY OF CONGRESS
[Stamp]

RAGING BULL
My Story

by JAKE LA MOTTA with Joseph Carter and Peter Savage

© 1970 by JAKE LA MOTTA

All rights reserved. No part of this book may be reproduced in any form or by any means, except for the inclusion of brief quotations in a review, without permission in writing from the publisher.

Library of Congress Catalog Card Number: 73-124514

Printed in the United States of America • *T*

ISBN 0-13-752527-3

Prentice-Hall International, Inc., London
Prentice-Hall of Australia, Pty. Ltd., Sydney
Prentice-Hall of Canada, Ltd., Toronto
Prentice-Hall of India Private Ltd., New Delhi
Prentice-Hall of Japan, Inc., Tokyo

To my friend Marty Heller and my beloved children –
Jacklyn, Jack, Joe, Christi, Elisa, and Mia

BOOKS BY JOSEPH CARTER

A Hagiography of Italian Renaissance Painting
A History of the French Constitution
History of the 14th Armored Division
1918: Year of Crisis, Year of Change
Death and Four Lovers (a novel)

---

* * *

Jake's first major film role was in *A House in Naples* (1969). Pete (right) directed as well as played one of the leads.

Cauliflower Cupids (1970), Jake's second big film, featured six world's boxing champions, with Pete as the romantic lead. Left to right are Pete, Paddy De Marco, Willie Pep, Rocky Graziano, Pete Scalzo, Tony Zale and Jake.

[91] ***ELEVEN***

By

going from the four-rounders to the six- and ten-rounders, I began to get out of the agate type in those little summaries newspapers have at the bottom of the story of the big fight of the night. You know: "Jake La Motta, Bronx, 168 pounds, TKO, third round, over Jimmy Miller, Newark, 172."

After the Reeves fight, Frank Gibbons, the Cleveland boxing writer, had written: "He [meaning Reeves] bruised everything in La Motta except his heart. Had the fight been held in an alley there isn't any doubt in my mind which man would have been the winner." I began to get stories, pictures, items in the boxing

columns. Dan Parker, one of the sportswriting greats – God rest his soul – had a couple of lines in his "The Broadway Bugle" column in the *Mirror* about how I shadowboxed for three rounds *after* a fight to get cooled off. Not earthshaking, but it was in Dan Parker's column. They walk racehorses after a race to cool them off, don't they? What's so nutty about that? And there was another item by a sportswriter in his column "Jack Tanzer Says," which was about a fight card for Bill Johnston, who used to be a pretty well-known promoter. Pete and I were both on the card and Tanzer wrote that the "young Bronxites save[d] Bill's show. If it were not for these two, Bill Johnston would have had another odiferous performance. . . ." And there were pictures of me with Tony Canzoneri, who was one of the big ones, and the caption read: "He Puts 'em on the Floor" and called me "one of the country's young and promising middleweights." There were stories about me going for my twenty-fifth-straight win, and there was a drawing of me on the front page of *The Ringside,* which is a weekly magazine about boxing.

What's funny was that I got some of my biggest notices over a fight I lost – with a guy named Nate Bolden at Marigold Gardens in Chicago. And when I say I "lost," I mean, I got *beat*! Jesus Christ, what a

* * *

day we were all on the work gang cleaning up some trees that had been blown down by a hurricane – I

think it was a hurricane. Anyhow, they'd all fallen over, and we'd hacked off the branches and cut them into logs, and we were loading the logs onto the truck. As usual, the one thing you got in a prison that you don't need is manpower, and the result of that was that here you had about twelve grown men dealing with a log that four could handle. There was no room for me – not that I was pushing – so I was standing off to the side and the screw came up and said, "What's with you, helpless?"

I said, "You got eyes. There's no room." Of course what I should've said was, "I'm sorry, sir, I tried to help, but there's no room."

You ask for trouble, you get it. The screw grinned at me and said, "You're supposed to be Mister Tough Guy. Go over there and make room for yourself."

So I went over and in the course of trying to get in on the act, I was kneeling and somehow the log dropped and pinned my arm to the ground. Now this log, it was about ten feet long and better than two feet in diameter. I moaned as I took most of the weight on my arm. The other cons started to lever it off and one of the screws, shotgun in the crook of his arm and fat red face in a smile, strolled over, squirted out a shot of tobacco juice and said, "Well, Champ Pimp, what's wrong now?"

He could see.

"Log fell on my arm," I said getting up.

"Well, now . . . whaddaya know. Champ Pimp got himself another boo-boo. . . ."

"Lay off the name," I said.

He just gave me a bigger grin as they got the log off and I got up. "Riles ya, does it?" he said. "Grabs ya where it hurts, huh? That's what you are, aincha? That's what you was convicted of, ain't it?"

[206] "Knock it off, you fuckin' cracker," I snarled at him.

He aimed the shotgun right at me. "You goddamned Yankee!" he screamed. "Get in the truck! Get in the truck!"

So they got me back to the warden's office and shoved me in so that I stumbled across the room and halfway across his desk. The warden got up and said, "All right, what is it?"

"He called me a 'fuckin' cracker,'" the guard said, "and he doubled up his fists like he was gonna slug me!"

I don't think that was true, but what the hell difference did it make? I was in for it anyway, I knew it.

I said: "Would it make any difference that this particular cracker takes a personal pleasure in ridin' me? Ever since the first day I got here – "

But the warden cut in: "Would it make any difference that in this prison you don't call the guard a

cracker and you don't double up your fists to him?" he asked, loud and hard. "Would it make any difference that here you're just another number? You're here to serve time like everybody else. We got a perfect democracy here, everybody equal, all the scum treated exactly alike, no privileges!" He motioned to the guard. "Take this particular piece of scum and throw it in the hole!"

And throw me in the hole he did. That peckerheaded, rednecked bastard took me down, and I was standing by the cell door while he opened it, my mind a complete blank because I still couldn't believe all this was happening to me, when all of a sudden I was sent hurtling and stumbling into the cell, and, this heavy wooden door with the tiny cross-barred window was slammed at my back. He snarled at me through the window, "This oughtta cool ya – ya champeen pimp."

He left and I was in this dark, gloomy cell, and all I could hear was him cackling as he went down the empty corridor. It was like a black curtain being rung down over my life, like this was it, this was the end, no beating the count this time, no matter what.

Well, I never was a quitter, and I'll never forget that day. As I looked around that stinking little cell, something happened to me. Maybe it was my fighting instinct, my survival instinct, I don't know – all I knew was that the fucking system, whatever it was that had shoved me into this hole, was not going to have the last say – not this way, anyway.

It started in me as a silent scream and then it burst out in one long, screeching "*No-o-o-o!*" And the wall closest to me became the whole stinking world. I doubled my fists tight and lashed out at it, at them. I hit them where it hurt – in the gut, in the windpipe, on the chin. [207] And I just keep on doing it, hitting a wall that was about as thinking and as feeling as the world.

The adrenalin was gushing through me like an animal all keyed up for the kill. Like the way it had been in the ring when I had one of those big, mean light heavies going and knew at last I had him and the killer in me drove me to move in and kill him like he'd been trying to kill me. Finish him off and walk away!

I felt the way I had the night I kept hitting Harry Gordon again and again and again. And when we raided the crap game and I was busting everybody's head. And I'm sure that if at that minute that bastard screw or nitwit warden had walked in, I'd have probably torn out their jugular with my teeth.

I guess the thing that finally stopped me was that two of my knuckles crunched deep up my fist. I could always stand pain, it's part of fighting. You condition yourself against it. But my fists just wouldn't clench anymore.

I stopped, and all I could hear was the blood from my hands plopping to the floor. I slumped against the wall and sucked air into my burning lungs. Then, all of a sudden, the rage exploded in me again. And this

time I really lost control. I screamed, "Why? Why? Why this? Whaddaya want from me? What the fuck do you want from me? You know, you know I'm not what they all say I am! You know I'm not that guy! I'm not an animal! Why? Why the top and now this? What did I ever do that was so bad? I'm as good as anybody in this fuckin' world today!"

And I lunged at the wall again, punched at it with more hate than I ever felt for anything in my life. And, at that moment, I felt the worst, most shocking pain of my life. It may have been because of my already damaged fists, but I like to think different, because I never expected that anything could be so bad, so punishing. I yelled and moaned.

Then I started to cry – bawl like a baby is more like it. I dropped down to my knees and held my fists up and pleaded, "I'm not like that . . . please . . . not like that." And, for the very first time in my whole life, I prayed.

And while I was praying – begging is more like it – something started to happen. The tightness in my gut started to let go – and when it did, it was then I realized that there was never a time I didn't remember having that uptight gnawing feeling in my solar plexus. And I knew what had been causing that grip on my insides – fear. Not the fear I mentioned inside the ring, the one I finally beat and actually managed to turn to my advantage. This was something different, something that was a part of me. Because the fact was that Jake La Motta, the [208] so-called

toughest guy that ever jumped into a ring, ready and able to tear apart the roughest fighters that ever lived, had always been afraid of everything in life.

And at that moment I also knew that there wasn't anything for me to ever be afraid of again. Because what the hell else could happen to me. My home, Vickie, my wonderful kids, were my whole life to me and I had been terrified of losing them – and I had lost them. I had always been in a constant sweat that I would wind up broke – and I was. I had always been afraid of losing my rep as a fighter, and now it was as black as coal and everyone believed not just that I was a bum, but worse, a convicted pimp.

Most of all, I'd been afraid of God, fate, life – something – getting me all my life, and it finally had. I had never really believed in God – at least, I told myself I didn't – and I laughed at guys who went to church. I was too smart, too hip for religion. I would never admit to myself that I had any regard or fear of God. I had to think that way. First, because of all the rotten, terrible things I had done in my life; second, because how the hell is a guy supposed to get along with a God who tells you that harming another human is a cardinal sin, when all the time you're thinking of dozens of ways of hurting, punishing, cutting up some guy to make a living.

But let's face it, my mother, like most Italian mothers, had drummed into me so hard and so often the fear of sin and the law of retribution when I was a kid that it became one of my biggest fears. I don't care

how tough a guy is, if you're brought up by a parent who is always on her knees, praying, for forgiveness for having had some silly thought, or for being forced to do some stupid little thing for the sake of the family that she thought was wrong, it gets to you, and it sticks with you forever. You know you're going to get it – sooner or later. And I'd been looking for it all my life.

Well, I'd gotten it all right. I figured He had his revenge. I felt paid up completely to man and God, and I had stopped being afraid. There was only one way to go now, and that was UP.

[209] ***TWENTY-FIVE***

I guess if there's such a thing as a turning point in a man's life, that was mine. Everything changed after that. I don't think it's too much to say that the man who got thrown into that hole was not the same man who came out.

And I did get out – forty-eight hours later. I think part of the reason was that I had told the warden I'd hire ten lawyers and blow his graft-ridden hole sky-high when I got out. I mean, regardless of what had happened, if I started spilling what that jail was like, there were plenty of places it would be printed.

When the day came for me to be sprung, after six months in that prison, Sally went over to Vickie's to get my stuff. After a couple of weeks I was still horsing around Miami Beach, figuring out what to do

next, when one night I was with Sally and we came out of a delicatessen and were about to get into the car when a guy walked into the delicatessen. He didn't see us, but I recognized him. Pete.

Suddenly something came over me. I leaned into the car and said to Sally, "Look, sweetie, be a good girl and drive home, willya. I . . . I just want to walk around a little and sort of unwind, get it? I'll see you later."

She didn't get it, but what the hell, else could she do? She nodded her head and started the car engine and backed out.

I went over near Pete's car and waited till he came back out with a paper bag. "Hey, Pete . . . " And I walked toward him, putting out my hand.

He looked at me and didn't say a word. Then he turned his back on me and started to get into the car. I ran over to him and grabbed his shoulder. "No, Pete, no," I said. "Look, wait a minute, please . . . "

He looked at me like I was shit and threw my hand off his shoulder and started into the car again.

I threw out both my hands to him. "Aah, Pete," I said, and then I [210] stopped. I guess I had gone over what I would say to him a thousand times in my mind, but now that the time had come to say it, nothing would come out. All I could do was trail after him, grab his shoulder and stop him from getting into his car. Then I started to say the same thing over again,

real fast. "You're right! You're perfectly right! You got every right in the world to hate my guts!"

But he wasn't having any of it. He shrugged my hand off his shoulder and tried to put the paper bag on the car seat. "No, please!" I said. I knew that once he got into his car, he might pull away and I'd never get this opportunity again. "I know I'm a suspicious, treacherous bastard. You're right! I know I acted like the prize cock of all time. I should have never raised my hands. . . ." I guess this reminded him of the terrible beating I'd given him and he kind of half-pushed me away and started again into his car. But I pulled him by the arm and yelled, "No, Pete, listen to me!" I guess I pulled him a lot harder than I thought because the paper bag slipped out of his hands and fell at his feet – the containers of coffee and tea bursting open and splattering his shoes and pants legs. This triggered something in him, and suddenly his fists came up and he belted me with a left and a right to the jaw. He caught me by surprise and I automatically backed off to get my own hands up.

But Pete kept pouring it on in the way we were both taught – once you belt a guy, keep up the punishment till he's helpless, and he sure was trying to do it to me. All the anger and hurt that I had caused him he kept giving back to me with his fists. One . . . two . . . three . . . Punch after punch tagged me and, while he was hitting me, I felt good inside . . . because somehow I knew it was going to end okay.

I dropped my hands and just stood there, taking it. After a while I was saying, "Go ahead, hit me again. . . . I deserve it. . . . Pay me back. . . . More. . . ." Pete stopped in midpunch and stared at me like he couldn't figure it. I nodded and tried to smile but my chin started quivering and I got all choked up and, before you know it, I was bawling and holding out my chin for that big fist that Pete was still holding in midair, and I was blubbering, "More. Go ahead, Pete, I deserve it."

Well, he finally threw it but very weakly, to my shoulder, and he left it there. He stared at me, then tears were flooding his eyes, too. His fist on my shoulder finally opened and he curled it around my neck and tugged me close to him and we went into the tightest bear-hug you ever saw – clutching each other and bawling like two little children, hugging each other, not saying anything.

It seemed that everything began to go right after that.

Fighting was out forever, I knew that, but I began to get some jobs [211] acting. Before I had gotten into all my trouble, I had done some shows on television. The first one I got through Rocky Graziano. He had got on television through Martha Raye, who put him on her show. That's where Rocky got started in his career as an actor – if you can call him that. Martha had a show of her own then, and Rocky was on it every week. I'm not getting in a knock about the actor bit, God knows neither him or me is going to

make John Barrymore turn over in his grave, but Rocky got a lot of laughs on account of the strictly New York City accent he had, like me, and the way he mispronounces words and blows his lines when he's got a part he's supposed to learn. But he did have a good instinct for comedy, and back then he came to me and said, "You wanna do a Martha Raye show with me?"

"What the Christ do I know about actin'?" I asked him.

"What the hell, they're not askin' you to play Hamlet," he said. "You been on television enough fightin'. If I can do it, you can do it."

Sure I was interested, and what made it real big was that Margaret Truman, the daughter of the former President of the United States, was going to play my date on the show. If you remember, there was a time when she wanted to be a singer and an actress. I went up to New York for the show, and they handed me a lot of lines to memorize. I took one look at them, and the director of the show took one look at my face.

He was a pretty smart guy. "Okay," he said, "don't try to memorize them word for word. Just read them through so you know what the skit is all about, and say what comes natural to you. Just stick with the plot and don't give us something brand new."

I think the best scene we did was just me and Rocky, in which Rocky was helping me get ready for

the show. There's something pretty funny to the public about a couple of characters like Rocky and me who never did anything except go to reform school and fight making each other up so we'll look pretty.

Well, the television show went off, pretty good, and I began to get offers to appear in plays. I was in the play "The Milky Way" at the Miami Springs Villa Playhouse, a part that called for me to memorize six hundred lines, and George Bourke, the critic for the *Miami Herald,* said I did a "superbly good job."

After that I began to get pretty serious about becoming an actor. I played the part of Harry Brock in *Born Yesterday,* which was put on at the Roney Plaza Hotel, and Walter Winchell said I was "surprisingly good." I went to New York to see what the score was on Broadway. I enrolled in the Bert Lane Theater Workshop near Times Square and started learning. The only way you learn fighting is by [212] fighting, and the only way you learn acting is by acting. I would act every day – act, act, act. I did an episode for "Naked City" but they cut it, and in 1959 I went on the road with Lloyd Bridges, playing Big Julie in *Guys and Dolls.* I was picked from the theater workshop to play the co-lead in a movie called *Rebellion in Cuba.*

But there was still another bad period I had to go through. It started with my appearance before the Kefauver Senate subcommittee that was investigating boxing. By now, like I said, Pete and I were friends again and we were seeing a lot of each other.

During all that time that Pete and I were separated, Pete had made good in business and settled down with a very pretty and sweet Vermont girl named Eleanor, who every one calls Pinky. Anyway, Pete told me that the way he got filled in on what I better say or not say in front of the Kefauver committee came from our good friend Nick.

Pete was pulling into his dress factory this day, a week or so after the papers had all been full of how the committee was going to investigate all of professional boxing and how far into it the mob had gotten, and he heard this auto horn blow and turned around and there was Nick in the Cadillac sitting in front beside Salvy, who was driving, and Patsy, the pistol-shooter, was in the back seat – things don't change much. Pete went over to the car and Nick gave him the old grin.

"Hi, Petey," he said. "Just wanted ta talk to ya for a second, if ya got a second. How about hoppin' in?" And he gestured to the back seat. Patsy reached and opened the door for him. Pete shrugged and got in. "How are ya, Peter?" Nick asked. "You look real good. How are things goin'?"

"Okay," Pete said.

Nick gave his hard, cold laugh, and said, "Same old Pete, always fulla conversation and wisecracks, never able to stop talkin'. Okay, eh? That all you can say?"

Pete shrugged again. "Come on, Nick. You know how things are. What's up? What's on your mind? You're not waitin' here for me to ask me how I am."

"All right," Nick said, "I'll tell you what I wanna talk ta you about. It's about your great old friend, the fighter who's now the actor, him and his big mouth."

Pete still didn't know what he was talking about, and he said so, and that got Nick mad. His face started to get red and his voice rose. "Are you tryna kid me? Don't you ever read the newspapers or listen to the radio? It's all over town, for Christsake!"

Nick was so mad that Pete got a little worried. "No, Nick, honest, I don't know what you're talking about. I got a little business problem [213] I been worryin' about and I ain't seen the paper today. What's Jake up to?"

"What's he up to?" Nick screamed at him. "He's blowin' the whole thing, that's what! He's turnin' over the whole can o' worms! He's volunteerin' – volunteerin', mind you, for Christsake – to testify in front of that goddamned Kefauver committee, how he dumped the Billy Fox fight, how he got the title shot, the whole bit!" He was yelling so loud that he ran out of breath, so he stopped and sucked in a chestful of air and then started again, lower.

"Now, look, Petey," he said, lower, and shaking his finger under Pete's nose, "this kinda talk could hurt a lot o' people, a lot o' people we both know – nice people, real folks with families. You know that and I

know it. I'm lookin' you up because you seem to be the one person that this madman will listen to." He stopped and looked at Pete, cold and hard. "If he blows his mouth off down there in Washington, I give you my personal guarantee that I will personally deliver his body to the Jersey dump myself. Do you understand that?"

Pete nodded.

"He's dead," Nick said. "Dead as of the minute he opens his yap! You think you can give him that message in words he can understand?"

Pete just nodded again, and the car started slowly off with Nick shaking his head and saying to Pete, "I swear to God in all my life I never seen anyone as stupid as that thick-headed nut."

Pete got hold of me. "Dead," he tells me, "that's what you're gonna be. These guys are positively not kiddin', Jake, I know them. Kiddin' they're not, and bulletproof you're not. You want to end up in the garbage dump? And what the hell are you gonna prove anyhow? You know what those hearings down in Washington are. They never do anything except get publicity for a lot of jerk senators."

As I said, I figured Pete was right. I went down to Washington and – well, it's in the record. I admitted throwing the Fox fight, I admitted the hundred-thousand dollar bribe offer, plus the twenty thousand I paid for the shot at Cerdan. But when it came to where the bribe offer came from, I just kept denying

that they had ever tried to bribe me. I kept saying that the only way I heard about the bribe offer was through my brother Joey and nobody else. This was safe because I knew that Joey was going to take the Fifth the whole way.

How much, if any, good those hearings did, I don't know. But for me they did nothing but bad. It seemed that everyone misunderstood my reason for appearing before the committee. I was a hated, despised [214] guy again – "despicable," I think I was called. My image, well, forget it. Everyone, all of a sudden, was acting as if I had leprosy.

To give you an idea – I was a surprise guest on the Barry Farber radio show one night not long after the hearing, and Jersey Joe Walcott, the old heavyweight champ who was booked for the show, suddenly got up, and turned his back on me and walked off the show.

I'm still bugged over that. Didn't he ever read what they had to say about his managers and their affiliations in some of the press releases of his day?

I mean, didn't anybody ever give a thought to the damn reason I appeared before that senatorial political ladder – because that's all those committees really are. *Nothing* ever really comes out of those investigating committees except that a lot of little-known senators get to appear on television and get a lot of great publicity. Name one bad guy that all those good guys ever punished or sent to jail after any of the investigating committees have run their course.

There was one thing that really hurt deep. It was when the boxing world gave a big farewell to Ray Robinson. He had finally made up his mind to quit boxing. It was about time, I thought, because he had just gone through his eleventh comeback. Don't get me wrong – Ray is one fighter that I would never knock. I never minded saying he was the greatest. He was lucky in a couple of fights with me, but there's no question that he's one of the best.

Robinson's farewell to boxing took place in the old Madison Square Garden before a packed house. The Garden promoters brought in, at their expense, all the former middleweight champions that Robinson had fought: Bobo Olsen from San Francisco, Gene Fullmer from Nebraska, Carmen Basilio from Syracuse, Paul Pender from Boston, Rocky Graziano from Long Beach. They even brought in Randy Turpin from England! Who was the only former champ they excluded? Jake La Motta, that's who! And how did Jake La Motta figure in Robinson's life and boxing career? I was only the first fighter to lick him when he was on top! I was only the guy he defeated for the middleweight title, and I was also the guy he waltzed within six slambang wars, and – what the hell – I was the only former champ who could have walked to the Garden! I lived ten blocks away. I still ask myself, what the hell did I do so wrong that deserved such treatment?

So I threw the Billy Fox fight – okay, that's the cardinal sin in sports, and it should be. But did anyone think about the cardinal sin that was being

committed against me for so many years? I couldn't get a title shot unless I threw the fight. Why did I finally admit it? Because those phony senators were going through the motions of [215] cleaning up boxing. I thought I owed it to boxing and the sports world to tell what I had to go through. Boxing was the greatest thing that ever happened to me. I had and still do have a great loyalty to the sport. I figured – and you may not believe this – why should a country as great as ours have corruption in any competitive sport? But before you laugh at the idea of Jake La Motta having even a tiny iota of this type of idealism, ask yourself who I hurt or seriously damaged, except myself, by making that admission. What did I have to gain, damn it?

About three months after the investigations, I married Sally. It was another of my mistakes – even though we had two great children – and it convinced me that there's a hex on me as far as getting married is concerned. Again, I can't blame Sally for what happened. It was the worst possible time to be married. I was broke and getting broker. I made a couple of bad investments in Broadway shows and other places and pretty soon we were moving to cheaper and cheaper hotels, and what dame is going to put up with that forever. I was so busted that at one point I was working on a maintenance gang in Central Park.

When you're living in crummy eight-by-ten hotel rooms like I was, you need something to keep you from going nuts with boredom. From the time I was a boxer I used to read a lot, but now I went crazy,

reading all the paperbacks I could get my hands on – stuff like *The Territorial Imperative* and *African Genesis*, books on art, hypnosis, meditation. I guess it kept me going.

But things didn't stay black forever. I've got to credit two people with helping me out of my hole or at least seeing that I didn't sink any deeper into it. One of them was Teddy Brenner. About six years after the investigations, when I was a leper, an untouchable, Teddy Brenner, a top promoter, came through. Teddy is a guy that really knows and understands boxers and what makes them tick. He decided one day to go against all standards and policy and, on his own, had me introduced on one of the Emile Griffith-Nino Benvenuti title fights.

It was a thrill, down to my toenails. I was thrilled because, believe it or not, I got a helluva hand. No, it wasn't a hand, it was an ovation, and it choked me up to find that more people seemed to like me than I thought didn't. What was still greater about it was that the next day it was televised all over the country – and after all those years of probably being near-forgotten, I was again being introduced from a ring, and at a championship fight. For me, it was like a symbol of acceptance, and it helped open up a lot of doors that would have stayed shut.

[216] Another great guy that helped me, and this is going to surprise you, is a former cop. A former police lieutenant yet, and a New York congressman – Mario Biaggi. He used to be called the toughest cop in

the world, and I believe it. Just to show you what kind of a guy Mario is, when that guy Tony, the one who had tried to set me up in the whorehouse to get me knocked off, was brought in for questioning in the Maitland Brenhouse murder, he, being a prime suspect, used me for his alibi. Bang! Headlines in every paper and radio news every hour on the hour, and every one of those publicity-hungry officials involved in the case were off in corners rubbing their hot little hands over the field day they were going to have. They gave out sneaky little hints about that notorious scoundrel Jake La Motta. It didn't matter to the press how remotely involved I might have been with Tony – there were these scandalous rumors being whispered about Brenhouse, and what better way is there to get sensational publicity than to involve an already disreputable guy like me.

The papers were ready to start rehashing my whole, background again. It would have set me back a lot of years. But Mario walked in and asked me for the level-up story. I told him and he believed me, and from that point on everyone stuck to the facts and everything just died a natural death, like it should have in the first place.

Well, lately I seem to have finally lived down my bad reputation and my career's started going up again. I've been getting dinner-speaking dates and nightclub dates. They've started calling me the Georgie Jessel of the sports circuit.

But more important, I'm really beginning to take off as an actor. A few years ago I did a program at the Barbizon Theater where I memorized ten thousand words, to play nine scenes from nine major plays. It was called "A Dramatic Concert with Jake La Motta," and the reviews were great. And I went over to Rome to play in a movie called *Ex-Americans*. Then I got a real break.

What happened was that Pete got bit by the show-biz bug – he figured, you know, why should so many people be making so much money out of movies and not him. So he bought a story by Peter Rabe called *A House in Naples*, got together with a producer named Joe Justman and we went to Italy and filmed the story. Pete seems to have a great instinct for directing and, of course, he cast me as one of the leads.

When we finished *A House in Naples,* Pete went on to a bigger production starring Jane Russell, Lee Meredith, Rocky Graziano and me. The romantic lead, if you're interested, is played by Peter Savage, who is my old friend Pete himself. There are also four other world's boxing champions in the film (six in all), including Tony Zale, Willie [217] Pep, Paddy De Marco and Pete Scalzo. We called it *Cauliflower Cupids.*

While we were working on *Cupids,* Marty Heller, a lawyer Pete hired to bail him out on some legal problems with the picture, and I had a lot of dinners together and we'd talk. Well, I told him my whole life

story – the complete truth – with no holds barred. The thing I'm most grateful for is that even though I'm sure he believed my story, he still believed in me. He kept saying, "Jake, this story of your life, it should be in a book." Well, he kept the idea going. He would say things like: "Your story would be something that people would understand – the violence, the way some people exist, how they stay alive. It's a story that should be in a book."

While he was talking, I kept thinking back to two things, two things that I'll never forget, that I remember most often. They were both during absolutely the lowest period of my life – when I was in that jail in Florida.

They used to take us out to the work site at the crack of dawn every morning, and like I said, this was the only time we were really chained. This truck was naturally a broken-down, beat-up old piece of machinery, and it was driven by one of those Florida cracker guards who wouldn't know his right hand from his left, and part of the drive was along this river, which was maybe not very big – I don't even know the name of it – but it was deep and kind of slimy and filled with moss and mud and all sorts of weeds and branches.

And every time we drove along that road in the early morning, beside the river, the truck groaning and lurching and speeding, in my mind I could see that redneck cracker losing control of the wheel because he drank like a fish and had a hangover every

morning, and the truck catching its wheels off to the side and suddenly lurching down as it went off the road and turning over a couple of times and rolling down into twenty-five feet of river water and all of us chained inside so there wouldn't be a prayer in hell of getting out. I used to think to myself, Jesus, what a way to end it. God, gimme one more chance, just one more chance to get outta here.

The other thing was what I mentioned before, when I was in the hole in that Florida prison, pounding the walls and screaming at God and finally feeling all the fear that had built up in a lifetime drain out of me. I remember that when I picked myself up off the floor, I thought about how I'd been a champion. That was something no one could ever take away from me. I remembered being in a ring, the lights bright and the ref holding up my bruised and aching fist and saying I was the middleweight champion of the world, and how everyone went wild with screaming and cheering, and afterward how

* * *

EXHIBIT K

THE RAGING BULL

May 10, 1973

Du 87481

(LONG VERSION)

"THE RAGING BULL"

* * * other possible titles * * *

"WHAT PROFIT A MAN . . . . . "

(If he were to gain the world,
and lose his soul.)

"THE ICEPICK AND THE GLOVE"

"THEY AND THE UNWILLING PUPPET"

Screenplay by:

EMMETT CLARY
based on the book,
"The Raging Bull,"
the story of Jake LaMotta
published by –
Prentice-Hall, Inc.

EXHIBIT L

FORM D

CLASS	REGISTRATION NO.
D	Du 58670
	DO NOT WRITE HERE
	DF DFO DP [DU]

Application for Registration of a Claim to Copyright in a dramatic or dramatico-musical composition

Instructions: Make sure that all applicable spaces have been completed before you submit the form. The application must be **SIGNED** at line 9. For published works the application should not be submitted until after the date of publication given in line 4 (a), and should state the facts which existed on that date. For further information, see page 4.

Pages 1 and 2 should be typewritten or printed with pen and ink. Pages 3 and 4 should contain exactly the same information as pages 1 and 2, but may be carbon copies.

Mail all pages of the application to the Register of Copyrights, Library of Congress, Washington 25, D. C., together with:

(✓) If unpublished, one complete copy of the work and the registration fee of $4.

(*b*) If published, two copies of the best edition of the work and the registration fee of $4.

Make your remittance payable to the Register of Copyrights.

1. Copyright Claimant(s) and Address(es): Give the name(s) and address(es) of the copyright owner(s). In the case of published works and name(s) should ordinarily be the same as in the notice of copyright on the copies deposited.

Name Frank Peter Petrella

Address 2329 Cambreleng Ave., Bronx 58, N. Y.

Name

Address

2. TITLE: "THE RAGING BULL (JAKE LAMOTTA)"
or

(Give the title of the dramatic or dramatico-musical composition as it appears on the copies)

"THE ICE PICK AND THE GLOVE"

3. Authors: Citizenship and domicile information must be given. Where a work is made for hire, the employer is the author. The citizenship of organizations formed under U. S. Federal or State law should be stated as U. S. A.

Authors may be editors, translators, etc., as well as authors of original text. If the copyright claim is based on new matter (see line 5 (b)) give information about the author of the new matter.

Name Frank Petrella (F. Peter Petrella) Citizenship U. S. A.
(Give legal name followed by pseudonym if latter appears on the copies) (Name of country)

Domiciled in U. S. A. Yes ☒ No ☐ Address _____

Name _____ Citizenship _____
(Give legal name followed by pseudonym if latter appears on the copies) (Name of country)

Domiciled in U. S. A. Yes ☐ No ☐ Address _____

Name _____ Citizenship _____
(Give legal name followed by pseudonym if latter appears on the copies) (Name of country)

Domiciled in U. S. A. Yes ☐ No ☐ Address _____

(NOTE) Leave all spaces of line 4 blank unless your work has been published.)

4. ***(a)*** **Date of Publication:** Give the date when copies of this particular version of the work were first placed on sale, sold, or publicly distributed. The date when copies were made or printed should not be confused with the date of publication. (NOTE: The full date (month, day and year) must be given.)

(b) **Place of Publication:** Give the name of the country in which this particular version of the work was first published.

(NOTE: Leave all spaces of line 5 blank unless the instructions apply to your work.)

5. *(a)* **Previous Registration or Publication:** If a claim to copyright in any substantial part of this work was previously registered in unpublished form, or if a substantial part of the work was previously published, check one or both of the boxes:

☐ Previous registration ☐ Previous publication

(b) **New Matter in This Version:** If you have checked [illegible] of the boxes in line 5 (a), give a brief general statement [illegible] of any substantial new matter in this version. New matter may consist of translation, dramatization, editorial revision, and the like, as well as additional text or musical material.

[sic – no 6. in source document]

---

7. Name and address of person or organization to whom correspondence or refund, if any, should be sent:

Name F. Peter Petrella Address 2329 Cambreleng Ave., Bx 58, [sic]

8. Send certificate to:

(Type or print Name and address)	
Name	Mr. F. Peter Petrella
Address	2329 Cambreleng Ave.
	(Number and street)
	Bronx 58, N. Y.
	(City) (Zone) (State)

9. Certification: (NOTE: Application not acceptable unless signed)

I CERTIFY that the statements made by me in this application are correct to the best of my knowledge.

/s/ Frank Peter Petrella
(Signature of copyright claimant or duly authorized agent)

* * *

FOR COPYRIGHT OFFICE USE ONLY	
Application received OCT – 9 1963	
One copy received OCT – 9 1963	
Two copies received	
Fee received 27102 OCT – 9 '63	
Renewal	

EXHIBIT M

FORM A

CLASS	REGISTRATION NO.
A	A 164566
	DO NOT WRITE HERE

Application for Registration of a Claim to Copyright in a published book manufactured in the United States of America

Instructions: Make sure that all applicable spaces have been completed before you submit the form. The application must be **SIGNED** at line 10 and the **AFFIDAVIT** (line 11) **must be COMPLETED AND NOTARIZED**. The application should not be submitted until after the date of publication given in line 4, and should state the facts which existed on that date. For further information, see page 4.

Pages 1 and 2 should be typewritten or printed with pen and ink. Pages 3 and 4 should contain exactly the same information as pages 1 and 2, but may be carbon copies. Mail all pages of the application to the Register of Copyrights, Library of Congress, Washington, D. C. 20540, together with 2 copies of the best edition of the work and the registration fee of $6. Make your remittance payable to the Register of Copyrights.

1. Copyright Claimant(s) and Address(es): Give the name(s) and address(es) of the copyright owner(s). Ordinarily the name(s) should be the same as in the notice of copyright on the copies deposited.

Name JAKE LA MOTTA

Address 230 EAST 51st STREET, NEW YORK, NEW YORK

Name

Address

2. TITLE: RAGING BULL : MY STORY
(Give the title of the book as it appears on the title page)

---

3. Authors: Citizenship and domicile information must be given. Where a work is made for hire, the employer is the author. The citizenship of organizations formed under U. S. Federal or State law should be stated as U. S. A. Authors may be editors, compilers, translators, illustrators, etc., as well as authors of original text. If the copyright claim is based on new matter (see line 5) give requested information about the author of the new matter.

Name JAKE LA MOTTA Citizenship U. S. A.
(Give legal name followed by pseudonym if latter appears on the copies) (Name of country)

Domiciled in U. S. A. Yes X No ___ Address 230 East 51st Street, New York, New York

Name JOSEPH CARTER Citizenship U. S. A.
(Give legal name followed by pseudonym if latter appears on the copies) (Name of country)

Domiciled in U. S. A. Yes X No ___ Address 373 Main Street, Westport, Connecticut

Name PETER SAVAGE Citizenship U. S. A.
(Give legal name followed by pseudonym if latter appears on the copies) (Name of country)

Domiciled in U. S. A. Yes X No ___ Address 2803 Weeks Avenue, Oceanside, New York

4. Date of Publication of This Edition: Give the complete date when copies of this particular edition were first placed on sale, sold, or publicly distributed. The date when copies were made or printed should not be confused with the date of publication. **NOTE**: The full date (month, day and year) must be given. For further information, see page 4.

JUNE 29th 1970
(Month) (Day) (Year)

(NOTE: Leave line 5 blank unless the following instructions apply to this work.)

5. New Matter in This Version: If any substantial part of this work has been previously published anywhere, give a brief, general statement of the nature of the new matter published for the first time in this version. New matter may consist of compilation, translation, abridgement, editorial revision, and the like, as well as additional text or pictorial matter.

NOTE: **Leave line 6 blank unless there has been PREVIOUS FOREIGN EDITION in the English language.**

6. Book in English Previously Manufactured and Published Abroad: If all or a substantial part of the text of this edition was previously manufactured and published abroad in the English language, complete the following spaces:

Date of first publication of foreign edition _____ Year

Was registration for the foreign edition made in the U.S. Copyright Office? Yes _____ No _____

If your answer is "Yes," give registration number _____

7. If registration fee is to be charged to a deposit account established in the Copyright Office, give name of account:

PRENTICE-HALL, INC.

8. Name and address of person or organization to whom correspondence or refund, if any, should be sent:

Name PRENTICE-HALL, INC Address ENGLEWOOD CLIFFS, NEW JERSEY

9. Send certificate to:

(Type or print Name and address)	
Name	PRENTICE-HALL, INC., PEARL PARATORE, COPYRIGHT EDITOR
Address	BOX 901
	(Number and street)
	ENGLEWOOD CLIFFS, NEW JERSEY 07632
	(City) (Zone) (State)

10. Certification: (NOTE: Application not acceptable unless signed)

I CERTIFY that the statements made by me in this application are correct to the best of my knowledge.

/s/ [Illegible]
(Signature of copyright claimant or duly authorized agent)

11. Affidavit (required by law.) Instructions: (1) Fill in the blank spaces with special attention to those marked "(X)," (2) Sign the affidavit before an officer authorized to administer oaths within the United States, such as a notary public. (3) Have the officer sign and seal the affidavit and fill in the date of execution.

NOTE: The affidavit must be signed and notarized only *on or after* the date of publication or completion of printing which it states. The affidavit *must* be signed by an individual.

I, the undersigned, depose and say that I am the
☐ Person claiming copyright in the book described in this application;
☒ Duly authorized agent of the person or organization claiming copyright in the book described in this application;
☐ Printer of the book described in this application.

STATE OF NEW JERSEY)
) ss.
COUNTY OF BERGEN)

That the book was published or the printing was completed on (X) JUNE 29th 1970
(Give month, day, and year)

That of the various processes employed in the production of the copies deposited, the setting of the type was performed within the limits of the United States or the making of the plates was performed within the limits of the United States from type set therein; or the lithographic or photoengraving process used in producing the text were wholly performed within the limits of the United States, and that the printing of the text and the binding (if any) were also performed within the limits of the United States. That such typesetting, platemaking, lithographic or photoengraving process, printing, and binding were performed by the following establishments or individuals at the following addresses:

(GIVE THE NAMES AND ADDRESSES OF THE PERSONS OR ORGANIZATIONS WHO PERFORMED SUCH TYPESETTING OR PLATEMAKING OR LITHOGRAPHIC PROCESS OR PHOTOENGRAVING PROCESS OR PRINTING AND BINDING, ETC.)

Name (X)	AMERICAN BOOK-STRATFORD PRESS, INC.	Addresses (X)	NEW YORK, NEW YORK

/s/ [Illegible]
(Signature of affiant)

(Sign and notarize only on or after date given above)

Subscribed and sworn to/affirmed before me this 2nd day of JULY, 1970

/s/ R M Isaac
(Signature of notary)

[SEAL]

NOTARY PUBLIC OF NEW
[Illegible]
My Commission Expires:
[Illegible]

FOR COPYRIGHT OFFICE USE ONLY	
Application and affidavit received JUL – 9 1970	
Two copies received JUL – 9 1970	
Fee received	
Renewal	

EXHIBIT N

FORM D

CLASS	REGISTRATION NO.
D	Du 87481 DO NOT WRITE HERE

[SEAL]

Certificate

Registration of a Claim to Copyright in a dramatic or dramatico-musical composition

This Is To Certify that the statement set forth on this certificate have been made a part of the records of the Copyright Office. In witness whereof the seal of the Copyright Office is hereto affixed.

/s/ Abe A. Goldman
ACTING *Register of Copyrights*
United States of America

1. Copyright Claimant(s) and Address(es):

Name FRANK PETER PETRELLA
a/k/a PETER SAVAGE

Address 2803 Weeks Ave., Oceanside, N. Y. 11572

Name

Address

2. Title: "THE RAGING BULL" screenplay form of the book of the same name.

(Title of dramatic or dramatico-musical composition)

3. Authors:

Name Frank Peter Petrella – Emmett Clary

(Legal name followed by pseudonym if latter appears on the copies)

Citizenship U.S.A.

(Name of country)

	Yes	No
Domiciled in U. S. A.	☒	☐

Address 2803 Weeks Ave., Oceanside, N. Y. 11572

Name

(Legal name followed by pseudonym if latter appears on the copies)

Citizenship

(Name of country)

	Yes	No
Domiciled in U. S. A.	☐	☐

Address

Name

(Legal name followed by pseudonym if latter appears on the copies)

Citizenship _____
(Name of country)

	Yes	No
Domiciled in U. S. A.	☐	☐

Address _____

4. (a) Date of Publication:

_____
(Month) (Day) (Year)

(b) Place of Publication:

_____
(Name of country)

5. Previous Registration or Publication:

Was work previously registered? Yes ____ No ____
Date of registration _____
Registration number _____

Was work previously published? Yes X No ____
Date of publication 1970
Registration number 73-124514

Is there any substantial **NEW MATTER** in this version? Yes _____ No _____ If your answer is "Yes," give a brief general statement of the nature of the **NEW MATTER** in this version.

screenplay form (dialogue)

6. Deposit account:

_____

7. Send correspondence to:

Name Frank Peter Petrella

Address 2803 Weeks Ave., Oceanside, NY 11572

8. Send certificate to:

(Type or print name and address)

Name
Address

Frank Peter Petrella		
2803 Week Ave.		
(Number and street)		
Oceanside, New York		11572
(City)	(State)	(ZIP code)

* * *

FOR COPYRIGHT OFFICE USE ONLY	
Application received JUL 16 1973	
One copy received May 1[illegible] 197[illegible]	
Two copies received	
Fee received 223371 MAY 10 73	

EXHIBIT O

FORM RE

UNITED STATES COPYRIGHT OFFICE

REGISTRATION NUMBER RE 528-776
EFFECTIVE DATE OF RENEWAL REGISTRATION APR – 3 1991 (Month) (Day) (Year)

DO NOT WRITE ABOVE THIS LINE
FOR COPYRIGHT USE ONLY

① [Illegible]	**RENEWAL CLAIMANT(S), ADDRESS(ES), AND STATEMENT OF CLAIM** (See Instructions)	
	1	Name: Eleanor Petrella Address: 2803 Weeks Avenue, Oceanside, N.Y. 11572 [Illegible] Widow of author Frank Peter Petrella [Illegible]
	2	Name: Peter E. Petrella Address: 2803 Weeks Avenue, Oceanside, N.Y. 11572 [Illegible] Son of deceased author Frank Peter Petrella [Illegible]
	3	Name: Paula Petrella Address: 2803 Weeks Avenue, Oceanside, N.Y. 11572 [Illegible] Daughter of deceased author Frank Peter Petrella [Illegible]

② [Illegible]	**TITLE OF WORK IN WHICH RENEWAL IS CLAIMED:** THE RAGING BULL, JAKE LA MOTTA or THE ICE PICK AND GLOVE
	RENEWABLE MATTER: Entire screenplay
	CONTRIBUTION TO PERIODICAL OR COMPOSITE WORK: Type of periodical or composite work N/A If a periodical or [illegible] give Vol ..... No ..... Issue Date .....

③ [Illegible]	**AUTHOR(S) OF RENEWABLE MATTER:** Frank Peter Petrella

④ [Illegible]	**ORIGINAL COPYRIGHT NUMBER:** DU: 58670
	ORIGINAL COPYRIGHT CLAIMANT: Frank Peter Petrella
	ORIGINAL DATE OF COPYRIGHT: *If the original registration for this work was made in published form, give DATE OF PUBLICATION } (Month) (Day) (Year) OR *If the original registration for this work { was made in unpublished form, give DATE OF REGISTRATION October 9, 1963 (Month) (Day) (Year)

RE 528-776	
EXAMINED BY [Illegible] CHECKED BY [Illegible]	RENEWAL APPLICATION RECEIVED APR 03 1991
CORRESPONDENCE ☐ Yes	REMITTANCE NUMBER AND DATE
DEPOSIT ACCOUNT FUNDS USED ☐	
FOR COPYRIGHT OFFICE USE ONLY	

* * *

DEPOSIT ACCOUNT: (If the registration fee is to be charged to a Deposit Account established in the Copyright Office, give the name and number of Account:) Name Paul, Weiss, Rifkind, Wharton & Garrison Account Number DA 028665 **CORRESPONDENCE:** (Give name and address to which correspondence about the application should be sent:) Name Lawrence Shire, Esq., Paul, Weiss, Rifkind, Wharton & Garrison Address 1285 Avenue of the Americas New York (City) NY (State) 10019 6064 (ZIP)	⑥ Fees and Correspondence [Illegible]

CERTIFICATION: I, the undersigned, hereby certify that I am the (Check one)	⑦ Certification [Illegible]
☐ renewal claimant	
☒ duly authorized agent of: Eleanor, Peter & Paula Petrella	
[Illegible]	
of the work identified in this application and that the statements made by me in this application are correct to the best of my knowledge.	
☞ Handwritten signature [X] Lawrence Shire	
Typed or printed name Lawrence Shire	
Date 3/29/91	

MAIL CERTIFICATE TO (Certificate will be mailed in window envelope)	⑧ Address for [Illegible] of Correspondence
Lawrence Shire, Esq.	
Paul, Weiss, Rifkind, Wharton & Garrison	
(Name)	
1285 Avenue of the Americas	
([Illegible] Street and Address Number)	
New York NY 10019-6064	
(City) (State) (ZIP code)	

EXHIBIT P

Certification of Registration

[SEAL]

This Certificate issued under the seal of the Copyright Office in accordance with title 17, *United States Code*, attests that registration has been made for the work identified below. The information on this certificate has been made a part of the Copyright Office records.

RE 930-603
[BAR CODE]

[Illegible]

11 (mm) 21 (dd) 08 (yyyy)

/s/ Marybeth Peters

Register of Copyrights,
United States of America

---

1 TITLE AND ORIGINAL TERM INFORMATION

A Title of work as first published or registered:
Raging Bull: My Story

IF YOU NEED MORE SPACE, USE SPACE [Illegible]

If periodical, give: Volume: _____ Number: _____
Issue date: _____ ISSN _____

B Alternative title: _____

IF YOU NEED MORE SPACE, USE SPACE [Illegible]

C If first published as a contribution to a periodical or other collective work, give title of larger work:

_____

IF YOU NEED MORE SPACE, USE SPACE [Illegible]

If periodical, give: Volume: _____ Number: _____
Issue date: _____ ISSN _____

D Has this work (or the work in which it was first published, if a contribution) ever been registered?
Yes ☑ Give registration number: A 164566
◄or► No ☐ (*Complete form RE/Addendum.*)

E Publication date: 08/29/1970 ◄or►
(mm/dd/yyyy)
Registration date, if registered as unpublished work: _____
(mm/dd/yyyy)

F Year date(s) in copyright notice, if earlier than actual publication year date: ig ____ ISBN _____

G Original copyright claimant(s): Jake La Motta
IF YOU NEED MORE SPACE, USE SPACE [Illegible]

H If the work was originally registered in Class A1 or B1, was a U.S. edition registered?
Yes ☐ Give registration number: _____ ◄or►
No ☐

I If the original registration record was corrected or amplified by supplementary registration on Form CA, give the registration number and effective date of the supplementary registration
Number: _____ Date: _____

---

2 WORK OR MATERIAL CLAIMED AND AUTHOR INFORMATION

A Copyright for the renewal term is claimed in (*Check only one.*)

1 ☑ the entire work.

2 ☐ a contribution first published in a periodical or other collective work.

3 ☐ revisions in previously published or registered work. *Describe revisions*: _____

4 ☐ separate element(s) of authorship in a larger work. *Specify element(s)*: _____

or ▶

5 ☐ The renewal claim is based on the first publication of a work previously registered as an unpublished work under registration number: _____

B The following author(s) contributed to the work or material claimed:

Name: Jake La Motta
Date of death, if applicable: _____ (mm/dd/yyyy)
This author created: Text

Name: Joseph Carter
Date of death, if applicable: 1984 – month and day unknown (mm/dd/yyyy)
This author created: Text

Name: Peter Savage
Date of death, if applicable: 12/29/1981 (mm/dd/yyyy)
This author created: Text

Name: _____
Date of death, if applicable: _____ (mm/dd/yyyy)
This author created: _____

IF THERE ARE ADDITIONAL AUTHORS, USE SPACE [Illegible]

[Illegible]
11/21/08
[Illegible] ☑ [Illegible]
[Illegible] [Illegible]
[Illegible]

DO NOT WRITE ABOVE THIS LINE.
IF YOU NEED MORE SPACE,
USE FORM RE/CON.

3 RENEWAL TERM OWNERSHIP INFORMATION

A Name the party or parties entitled by law to claim the renewal copyright on the last day of the original 28-year term of copyright. For each statutory claimant named; give the basis of the claim, and provide a *current* address. *Read instructions.*

Name: Paula Petrella as the: Child of the deceased author.

Address: 11748 Dorothy St., Apt. 5, Los Angeles, CA 90049 ◄or► Year of death: _____

Name: Peter Petrella as the: Child of the deceased author.

Address: 1874 Pelham Pkwy. So., Apt. 6L, Bronx, NY 10461 ◄or► Year of death: _____

Name: _____ as the: _____

Address: _____ ◄or► Year of death: _____

Name: _____ as the: _____

Address: _____ ◄or► Year of death: _____

IF THERE ARE ADDITIONAL STATUTORY CLAIMANTS, USE SPACE [Illegible]

B This application is submitted by or on behalf of the: (*Check only one.*)

☑ Statutory claimant(s) named above. (*Go on to section 4.*)

or ▶

☐ Assignee/successor of the statutory claimant(s) named above. (*Complete space C below.*)

C _____ by _____

Assignee/successor [Illegible]

Current address: _____

4 CERTIFICATION

I, the undersigned, hereby certify that I am the statutory claimant, the assignee/successor, of the duly authorized agent of the statutory claimant or assignee/successor, and that the statements made by me in this application are correct.

Typed or printed name: Paula Petrella

Date: 11/30/2008

Handwritten signature: /s/ Paula Petrella

5 PAYMENT, CORRESPONDENCE, AND MAILING INFORMATION

Deposit account number: _____

Account name: _____

Contact information for correspondence, including name and mailing address: Paula Petrella, 11748 Dorothy St., Apt. 5, Los Angeles, CA 90049

Phone: (310) 614-3367 Fax: (___) _____

Email: psavage64@aol.com

MAILING ADDRESS FOR CERTIFICATE:

PAULA PETRELLA
name

11748 Dorothy Street #5
numbers/street apt/suite

Los Angeles, CA 90049 USA
city/town state/providence zip/postal code country

[Illegible paragraph]

EXHIBIT Q

Certification of Registration

[SEAL]

This Certificate issued under the seal of the Copyright Office in accordance with title 17, *United States Code*, attests that registration has been made for the work identified below. The information on this certificate has been made a part of the Copyright Office records.

RE 930-602
[BAR CODE]

[Illegible]

11 8 08
mm dd yyyy

/s/ Marybeth Peters

Register of Copyrights,
United States of America

---

1 TITLE AND ORIGINAL TERM INFORMATION

A Title of work as first published or registered:
The Raging Bull

[Illegible]

If periodical, give: Volume: _____ Number: _____
Issue date: _____ ISSN _____

B Alternative title: _____
[Illegible]

C If first published as a contribution to a periodical or other collective work, give title of larger work:
_____
[Illegible]
If periodical, give: Volume: _____ Number: _____
Issue date: _____ ISSN _____

D Has this work (or the work in which it was first published, if a contribution) ever been registered?
Yes ☑ Give registration number: Du 87481
◄or► No ☐ (*Complete form RE/Addendum.*)

E Publication date: _____ ◄or►
(mm/dd/yyyy)
Registration date, if registered as unpublished work: 07/16/1973
(mm/dd/yyyy)

F Year date(s) in copyright notice, if earlier than actual publication year date: ig ____ ISBN _____

G Original copyright claimant(s):
Frank Peter Petrella a/k/a Peter Savage
[Illegible]

H If the work was originally registered in Class A1 or B1, was a U.S. edition registered?
Yes ☐ Give registration number: _____ ◄or►
No ☐

I If the original registration record was corrected or amplified by supplementary registration on Form CA, give the registration number and effective

date of the supplementary registration Number: _____ Date: _____

2 WORK OR MATERIAL CLAIMED AND AUTHOR INFORMATION

A Copyright for the renewal term is claimed in (*Check only one.*)

1 ☐ the entire work.

2 ☐ a contribution first published in a periodical or other collective work.

3 ☑ revisions in previously published or registered work. *Describe revisions*: Screenplay adaptation

4 ☐ separate element(s) of authorship in a larger work. *Specify element(s)*: _____

or ▶

5 ☐ The renewal claim is based on the first publication of a work previously registered as an unpublished work under registration number: _____

B The following author(s) contributed to the work or material claimed:

Name: Frank Peter Petrella a/k/a Emmett Clary

This author created: Screenplay adaptation

Date of death, if applicable: 12/29/1981 (mm/dd/yyyy)

Name: _____

This author created: _____

Date of death, if applicable: _____ (mm/dd/yyyy)

Name: _____ This author created:

Date of death, if applicable: _____ _____

(mm/dd/yyyy) _____

Name: _____ This author created:

Date of death, if applicable: _____ _____

(mm/dd/yyyy) [Illegible]

[Illegible]

11/8/08 12/1/08

[Illegible] ☑ [Illegible]

[Illegible] [Illegible]

[Illegible]

DO NOT WRITE ABOVE THIS LINE.
IF YOU NEED MORE SPACE,
USE FORM RE/CON.

---

3 RENEWAL TERM OWNERSHIP INFORMATION

A Name the party or parties entitled by law to claim the renewal copyright on the last day of the original 28-year term of copyright. For each statutory claimant named; give the basis of the claims, and provide a *current* address. *Read instructions.*

Name: Paula Petrella as the: Child of the deceased author.

Address: 11748 Dorothy St., Apt. 5, Los Angeles, CA 90049 ◄or► Year of death: _____

Name: Peter Petrella as the: Child of the deceased author.

Address: 1874 Pelham Pkwy. So., Apt. 6L, Bronx, NY 10461 ◄or► Year of death: _____

Name: _____ as the: _____

Address: _____ ◄or► Year of death: _____

Name: _____ as the: _____

Address: _____ ◄or► Year of death: _____

[Illegible]

B This application is submitted by or on behalf of the: (*Check only one.*)

☑ Statutory claimant(s) named above. (*Go on to section 4.*)

or ►

☐ Assignee/successor of the statutory claimant(s) named above. (*Complete space C below.*)

C _____ by _____

Assignee/successor [Illegible]

Current address: _____

---

4 CERTIFICATION

I, the undersigned, hereby certify that I am the statutory claimant, the assignee/successor, of the duly authorized agent of the statutory claimant or assignee/successor, and that the statements made by me in this application are correct.

Typed or printed name: Paula Petrella

Date: 11/30/2008

Handwritten signature: /s/ Paula Petrella

---

5 PAYMENT, CORRESPONDENCE, AND MAILING INFORMATION

Deposit account number: _____

Account name: _____

Contact information for correspondence, including name and mailing address: Paula Petrella, 11748 Dorothy St., Apt. 5, Los Angeles, CA 90049

Phone: (310) 614-3367 Fax: (___) _____
Email: psavage64@aol.com

MAILING ADDRESS FOR CERTIFICATE:

PAULA PETRELLA
name

11748 Dorothy Street #5
numbers/street [Illegible]

Los Angeles, CA 90049 USA
city/town state/providence zip/postal code country

[Illegible paragraph]

Glen Kulik, Esq. (SBN 82170) (gkulik@kgmslaw.com)
Alisa S. Edelson (SBN 216269) (aedelson@kgmslaw.com)
KULIK, GOTTESMAN, MOUTON & SIEGEL, LLP
15303 Ventura Boulevard, Suite 1400
Sherman Oaks, California 91403
Telephone: (310) 557-9200; (818) 817-3600
Facsimile: (310) 557-0224

Attorneys for Plaintiff
PAULA PETRELLA

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

PAULA PETRELLA, an individual,

Plaintiff,

v.

METRO-GOLDWYN-MAYER, INC., corporation; METRO-GOLDWYN-MAYER STUDIOS, INC., a corporation; METRO-GOLDWYN-MAYER HOME ENTERTAINMENT, LLC, a limited liability company; METRO-GOLDWYN-MAYER HOME ENTERTAINMENT DISTRIBUTION CORPORATION, a corporation; UNITED ARTISTS CORPORATION, a corporation; 20TH CENTURY FOX

CASE NO.
CV 09-72-GW(MANx)

DECLARATION OF PLAINTIFF PAULA PETRELLA IN OPPOSITION TO MOTION FOR SUMMARY JUDGMENT

Date: October 22, 2009
Time: 8:30 a.m.
Location: Courtroom 10

Trial Date:
January 19, 2010

HOME ENTERTAINMENT, LLC, a limited liability company; and DOES 1 THROUGH 20, inclusive,

Defendants.

FILED UNDER SEAL PURSUANT TO PROTECTIVE ORDER ENTERED ON JUNE 10, 2009 – CONTAINS CONFIDENTIAL INFORMATION

DECLARATION OF PAULA PETRELLA

I, Paula Petrella, declare:

1. I am the plaintiff in this action. I have personal knowledge of the matters stated in this declaration and if called as a witness could and would testify competently to each such fact.

2. My father was Frank Salvatore "Pete" Petrella who, among other occupations, was a writer, director, producer, and actor. Attached hereto as Exhibit 1 is a list of his credits as reflected on IMdb the contents of which I can attest to are accurate. He was mostly known to his friends and family as Pete Petrella, but he often worked under pseudonyms such as Peter Savage and Emmett Clary.

3. My father grew up in Italy and in the Bronx, New York and was a childhood friend of Jake La Motta. He remained very close personal friends with Mr. LaMotta until the day my father died. I have known Mr. La Motta my entire life.

4. I was born in 1964. Beginning at the age of 4 or 5, I remember observing my father writing a book about Mr. La Motta. He would write longhand on a yellow legal pad, and my mother would then type what he had written. The reason I remember this occurring so vividly is because it completely dominated my family life for an extended period, and I often fell asleep to the sound of my mother typing away day and night. Nearly every day, for many hours, my father would write, and my mother would type. I estimate this went on for about a year.

5. My father and Mr. La Motta needed Joseph Carter, a writer with a track record, to use his connections to get the book published. I am not aware of Mr. Carter doing any writing on the book but I do know he was instrumental in using his connections to get the book published in 1970. To my knowledge, MGM and its predecessors never received any rights from Mr. Carter as the contracts were with Mr. La Motta and my father only and I have never seen or heard of any contract between MGM and Mr. Carter whom I understand died in the 1980s.

6. Mr. La Motta was not a writer. I am aware that he gave my father ideas for the book but I never observed, nor have I ever heard, that anyone ever wrote any portion of the book nor the 1963 and 1973 screenplays except for my father. Perhaps that is why Mardik Martin, one of the film's credited screenwriters, said in an interview on the Martin Scorsese Collection DVD of *Raging Bull* (2004) "Originally – I'm talking about the first two drafts – Pete, his

friend who wrote the book, put himself into Jake's life a lot more than happened in real life."

7. In 1974, my father got a copy of the book to Robert De Niro who would eventually star in the film. I remember Mr. De Niro's agent, Harry Ufland, calling the house when my father was not home. I spoke with Mr. Ufland and took the message. I remember my father was upset with me because I had not written down the area code and my father had to track it down.

8. In 1978, when I was in the eighth grade, my father took me out of school for a time so I could film him and Jake La Motta training Mr. De Niro to portray a boxer in the film. My father knew I was interested in photography and cinematography and was training me to work with him. I filmed many of the boxing training sessions on a Super 8 movie camera. Years later, I contacted Mr. Scorsese, gave him my film footage which he restored, and with my consent he donated the footage to the George Eastman House Museum in Rochester, New York for inclusion in their permanent Scorsese Collection.

9. During the filming of the movie *Raging Bull* in 1979, I visited the set it Los Angeles with my parents and observed the filming of several of the boxing scenes. My father registered me as an extra and I sat among the arena spectators during some of these fight scenes. I was 14 at the time.

10. At the New York premiere of the film in 1980, I sat next to my father in the theatre. I know

my father made up some characters in the film – notably Tommy the Mafia boss, and that he had created composite characters as well such as Salvy, the Mafia henchman. Certain key scenes in the film showed Mr. LaMotta's brother, Joey, whom I have also known for most of my life, doing certain things that in real life my father did. For example, it was my father, not Joey, whom Mr. LaMotta in his paranoia beat up when he thought my father had slept with his then-wife Vicki. It was my father, not Joey, who confronted Vicki regarding her socializing with gangsters and then, to protect Jake's honor, beat up the man whom he thought was making advances to Vicki. My father also made up the Debonair Social club shown in the movie – it was not a real place.

11. I attended New York University and in 1986 earned a bachelors degree in film and television production and have worked in the entertainment industry ever since.

12. The film *Raging Bull* was released in theaters in 1980. My father died unexpectedly in 1981 at the age of 61. I can say unequivocally that my father worked tirelessly to get this film made during the last 17 years of his life. After his death, I became the custodian and guardian of my father's business records, as my mother knew nothing of business. My father's contributions to the film are summarized in a letter from Robert De Niro and Martin Scorsese dated March 26, 1979 (my father used the name Peter Savage in connection with the film):

"Robert DeNiro and I are writing this letter to confirm the vital importance of Peter Savage's position to our film, THE RAGING BULL. RAGING BULL represents the cumulative, work of Mr. DeNiro, Mr. Savage and myself for the past five years. During that time, up to the present and for the duration of the production, Mr. Savage is essential to the film's success . . .

Mr. Savage's screen credit will read, 'Produced in Association With Peter Savage' per his contract with Chartoff-Winkler. We feel said title is highly appropriate, given Mr. Savage's contribution to the film. His intimate knowledge of the subject cannot be duplicated, nor his familiarity with boxing rules and regulations. Further, his rapport with boxers and boxing officials is outstanding and essential to the continuing process of the production. In summation, we feel that Mr. Savage's presence, on a daily basis is not only necessary, but, in the final analysis, essential to the continued production of RAGING BULL. His absence could cause disastrous results on all levels of production. Therefore, we can only stress the crucial position of Peter Savage in relation to RAGING BULL . . . It should be noted that Mr. Savage is the co-author of the book, THE RAGING BULL, from which the screenplay is derived."

13. While it is possible that medical doctors would disagree, in the minds of my father's surviving family members, which included my mother, my

brother, and me, his passionate pursuit of bringing *Raging Bull* to the screen cost him his health and his life. I was extremely close to my father from my earliest memories to the day he died, and I can remember the endless stressful telephone conversations he endured at home at all hours while producing the film. He also often spoke of the myriad challenges he was facing in bringing the film to fruition. I have spent a good deal of my adult life nurturing his memory and guarding his legacy.

14. My brother suffers from intractable epilepsy and has been in poor health most of his life. My mother's health took a serious downturn after my father's death and although I soon left for college, I spent every weekend at home with her. We remained very close for the remainder of her life. I cared for her during several battles with ill health, including a heart condition (she had open heart surgery), and cancer of the brain and lungs. She was gravely ill and died in 2005. I spent a year caring for her and then settling her estate. Similarly, I assisted my mother in caring for my brother until my mother's death, at which time his care fell to me to manage. He is seriously disabled and requires assistance with several areas of his life.

15. After my father passed away I took custody of and organized all of his business records, which he sent and received in the normal course of business, which were kept at our house. They have been in my care and custody at all times since he died. Attached hereto are true and correct copies of the following

documents which were contained in my father's files at the time of his death of which I have been the custodian since that date (those of which bear his signature I can attest to the fact the signatures are genuine):

A. Exhibit 2, the aforementioned letter from Martin Scorsese and Robert De Niro dated March 26, 1979;

B. Exhibit 3, Certification of Copyright Registration dated October 9, 1963 and attached screenplay entitled *The Raging Bull (Jake La Motta) or The Ice Pick and the Glove* written by F. Peter Petrella;

C. Exhibit 4, Certification of Copyright Registration dated March 13, 1970 and attached manuscript entitled *Raging Bull, My Story* by Jake La Motta with Joseph Carter and Peter Savage.

D. Exhibit 5, Certification of Copyright Registration dated May 10, 1973 and attached screenplay entitled *The Raging Bull* by Emmett Clary (pseudonym for Peter Petrella).

E. Exhibit 6, Agreement dated November 19, 1976 between Jake La Motta and Peter Savage, on the one hand, and Chartoff-Winkler Productions, on the other, related to *Raging Bull.*

F. Exhibit 7, letter dated April 15, 1974 from Peter Savage to Robert De Niro.

G. Exhibit 8, Agreement dated October 15, 1977 between Chartoff-Winkler Productions and Peter

Savage for his services during production of the film, as well as during preproduction in training Robert De Niro to be a fighter.

H. Exhibit 9, letter dated March 15, 1978 from Peter Savage enclosing the original first draft writing "that sold the book to Prentice-Hall."

I. Exhibit 10, letter dated November 5, 1981 from Chartoff-Winkler to Martin Heller (attorney for Peter Savage and Jake La Motta) and attached Profit Participation Statement for the period ending September 26, 1981.

J. Exhibit 11, letter dated February 10, 1964 from MGM to Peter Petrella.

K. Exhibit 12, letter dated November 17, 1980 from Martin Heller (attorney for Jake La Motta and Peter Savage).

16. In 1990 I read a report about the *Abend (Rear Window)* Supreme Court decision and I remember wondering if it had any application to my father's work. His first *Raging Bull* screenplay was written in 1963 which meant the original 28-year copyright period would expire in 1991. I was not certain of my family's rights but hired an attorney who renewed in 1991 the copyright in the 1963 Screenplay in the name of my mother, brother and me in 1991. A true and correct copy of the renewal copyright is attached hereto as Exhibit 13. We did not make a claim prior to 1998 because my mother was not equipped emotionally or financially and she feared reprisals from

MGM. The first participation statement I received from MGM was not until 1999 for the period ending September 30, 1998.

17. It was my understanding that the 28-year copyright period on the book published in 1970 would expire in 1998. I consulted with an attorney in 1998 and caused that attorney to write a letter to MGM, a true and correct copy of which is attached hereto as Exhibit 14. This prompted a response from MGM, a true and correct copy of which is attached hereto as Exhibit 15. The correspondence continued through 2000 true and correct copies of which are attached hereto as Exhibits 16 through 21.

18. Between 1998 and 2001, I finally received from MGM periodic Profit Participation Statements on my father's behalf. True and correct copies of these statements are attached hereto respectively as Exhibits 22, 23, 24, 25, 26, and 27. In 2001, I was told by MGM the film was in such a huge deficit financially, despite the passage of so many years, that it would never show a profit and thus MGM would not continue to send me statements.

19. My family did not make a claim between 2000 and 2005 for the following reasons. First, my mother was very ill during much of that period and finally died in 2005. She was in no condition physically or emotionally to participate in a lawsuit, and I was busy managing her care. Second, we were fearful of what MGM would do if we filed a suit. MGM did not send me any further participation statements, for any period after March 2001, until 2008 when I hired

another attorney and made a demand. At that point MGM sent my attorney a statement, attached hereto as Exhibit 28, showing that the deficit had been cut by approximately $7,000,000 since the last statement they had sent me in 2001. The last major event pertaining to *Raging Bull* as of 2008 was the release in January 2005 of the 25th anniversary DVD. In 2005, I was invited to attend, and attended, the gala 25th anniversary party for the film with my brother, my father's sister and a close family friend.

20. After my mother passed away, I settled her estate, continued to care for my brother, and thought about the possibility of bringing a claim. Since the filing of this suit, MGM has, as I feared, made statements and taken actions to threaten me with financial ruin if I do not dismiss the case.

21. In reviewing the contract from 1976 which is attached as Exhibit 6, I notice a number of factual mistakes on the first page alone. For one thing, they misspelled my father's pseudonym: the correct spelling was "Clary," not "Cleary." Second, their statement that the 1963 and 1973 screenplays were written "under the pseudonym of Frank Peter Petrillo [sic]" is just wrong. That name is not on either of the screenplays or the book which he wrote. Further, while it may be correct in a sense to say that the 1973 screenplay was based on the book, to the extent it is suggested on the first page that both screenplays were based on the book is factually incorrect because I know the 1963 screenplay (registered in 1963) was written years before I observed my father writing the book which was copyrighted and published in 1970.

23. I know the following people are presently alive and I still have at least a casual relationship with them: Jake LaMotta; Joey LaMotta; Martin Scorsese; Robert DeNiro. I also know both credited screenwriters, Mardik Martin and Paul Schrader, are still alive. I last saw Jake LaMotta four years ago. As I testified in my deposition, he was confused about who I was – he thought I was my mother whom I resemble. I did not say Mr. LaMotta was unable to testify he if [sic] were called to testify. I am not a doctor and am not qualified to say one way or another. I did not try to talk with him about the film or the written works which are at issue in this case.

24. Two of the films my father worked on were *Cauliflower Cupids* and *A House in Naples*. He directed, produced, and acted in both films and in the case of the former movie he was also the writer. Both films were made in the late 1960's and were released theatrically around 1970. Jake LaMotta was an actor in both films.

Executed this 7th day of October 2009 at Sherman Oaks, California.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

/s/ Paula Petrella
Paula Petrella

EXHIBIT 1

PETER SAVAGE

Overview

Date of Birth: 13 August 1921 **more**

Date of Death: 29 November 1981 **more**

Trivia: The film "Vigilante" starring Robert Forster and Fred Williamson was dedicated . . . **more**

STARmeter: **Up 26%** in popularity this week. See why on IMDbPro.

Alternate Names: Armand Peters | Peter Petrella | Peter Petrillo [sic] | A. 'Nutty' Savage | Pete Savage

---

Filmography

Actor:

1980s
1970s
1960s

1. Vigilante (1983) . . . . Thomas 'Mr. T.' Stokes
   . . . aka Street Gang
2. Raging Bull (1980) . . . . Jackie Curtie
3. Firepower (1979) (as Pete Savage) . . . . Lawyer
4. Sylvia (1977) (as Armand Peters) . . . . Doctor Balaban
   . . . aka A Saint, a Woman, a Devil (USA: alternative title)
5. New York, New York (1977) . . . . Horace Morris' assistant
6. Taxi Driver (1976) . . . . The John

7. Crazy Joe (1974) . . . . DeMarco
8. Double Agent 73 (1974) . . . . (as Peter Petrillo [sic]) . . . . Bill
9. House in Naples (1970) . . . . Charles Delmont
10. Heißer Sand auf Sylt (1968)
. . . aka Naked and Free. . . The New Life Style (USA: reissue title)
. . . aka The New Life Style
. . . aka The New Life Style (Just to Be Love) (USA)
11. Ex-Americans (1964) (as Peter Petrella)

Producer:

1980s

1. Raging Bull (1980) (produced in association with)

1970s

2. Sylvia (1977) (producer) (as Armand Peters)
. . . aka A Saint, a Woman, a Devil (USA: alternative title)
3. They Shall Overcome (1974) (producer) (as A. 'Nutty' Savage)
4. Hypnorotica (1973) (producer)
. . . aka The Hypnotist (USA)
5. House in Naples (1970) (producer)

Director:

1. Sylvia (1977) (as Armand Peters)
. . . . aka A Saint, a Woman, a Devil (USA: alternative title)
2. They Shall Overcome (1974) (producer) (as A. 'Nutty' Savage)

3. Hypnorotica (1973) (as Armand Peters)
   . . . aka The Hypnotist (USA)
4. House in Naples (1970)

Writer:

1970s

1. Raging Bull (1980) (with)
2. Sylvia (1977) (writer) (as Armand Peters)
   . . . . aka A Saint, a Woman, a Devil (USA: alternative title)
3. They Shall Overcome (1974) (writer) (as A. 'Nutty' Savage)

Second Unit Director or Assistant Director:

1. Heißer Sand auf Sylt (1968) (director: additional scenes: US version)
   . . . aka Naked and Free. . . The New Life Style (USA: reissue title)
   . . . aka The New Life Style
   . . . aka The New Life Style (Just to Be Love) (USA)

Additional Details

Genres: Drama | Action | Adult | Crime **more**

Plot Keywords: Sex | Extramarital Affair | Hardcore | Independent Film **more**

EXHIBIT 2

CONFIDENTIAL PURSUANT TO PROTECTIVE ORDER

MARTIN SCORSESE

26 March 79

Mr. Jay Goldberg
1301 Avenue of the Americas
Suite 2700
New York, New York 10019

Dear Mr. Goldberg:

Robert DeNiro and I are writing this letter to confirm the vital importance of Peter Savage's position to our film, *THE RAGING BULL. RAGING BULL represents the cumulative work of Mr. DeNiro, Mr. Savage and myself for the past five years. During that time, up to the present and for the duration of the production, Mr. Savage is essential to the film's success. RAGING BULL is presently slated for a start date of April 16, 1979, with completion of principle photography set for June 25, 1979. The film is produced by Chartoff Winkler Productions, backed by United Artists Corporation and budgeted at slightly over six million dollars.

Mr. Savage's screen credit will read, "Produced in Association with Peter Savage" per his contract with Chartoff Winkler. We feel said title is highly appropriate, given Mr. Savage's contribution to the film. His intimate knowledge of the subject cannot be duplicated, nor his familiarity with boxing rules and regulations. Further, his rapport with boxers and

boxing officials is outstanding and essential to the continuing process of the production.

In summation, we feel that Mr. Savage's presence, on a daily basis is not only necessary, but, in the final analysis, essential to the continued production of RAGING BULL. His absence could cause disastrous results on all levels of production. Therefore, we can only stress the crucial position of Peter Savage in relation to RAGING BULL, with all hope that his absence will be avoided.

Thank you.

Best regards,

/s/ Martin Scorsese
Martin Scorsese

/s/ Robert DeNiro
Robert DeNiro

MS:dmg

(See next page)

* It should be noted that Mr. Savage is the co-author of the book, THE RAGING BULL, from which the screenplay is derived.

---

* * *

EXHIBIT 7

CONFIDENTIAL PURSUANT TO PROTECTIVE ORDER

PETER SAVAGE c/o

April 15, 1974

Dear Bob:

Pursuant to our phone conversation, please find a paperback version of the "RAGING BULL."

I sincerely hope that within the framework of this story you discover the elements that will excite you enough to want to portray the role.

Bob, I don't want to go into detail as to why the possibility of *you*, particularly, playing "Jake" especially excites me. It would probably sound like some gushy sales pitch, and I'm sure you get enough of that – suffice it to say that I've seen nearly everything you've done as an actor – including some bits – and I *know* what you could do with this part.

I'm sure that as you read the book and screenplay, it will become obvious to you that we do *not* intend to make a "fight story," but, rather an in-depth psychological study of a man. The elements that shape an entity such as Jake LaMotta – was it the constant environment exposure to stark cruelty – violence – deceit – are these the ingredients needed to push a person across the thin line of demarcation between a just great *average* fighter – or a snarling vicious champion, clawing away at everything that stands in his way in and *out* of the ring, using whatever means he needs to employ in gaining his ends.

We know how loose and wordy the screenplay is and how much polish it needs, but we feel there's *close* to enough there now to make the points mentioned above. It just needs the visual polish.

And, would like to assure you that if you have any decided interest in doing it, we would welcome your constructive thoughts on the subject.

In closing, let me wish you the very best for your stay in Italy.

Sincerely yours,

Peter Savage

PS/ejs
Encl.

EXHIBIT 8

CONFIDENTIAL PURSUANT TO PROTECTIVE ORDER

Dated: As of October 15, 1977

Peter Savage Enterprises, Inc.
348 East 58th Street
New York, New York 10022

Gentlemen:

The following shall constitute our entire agreement:

1. You hereby agree to loan, make available and furnish to us, upon all of the terms and conditions herein contained, the services of PETER SAVAGE (hereinafter referred to as "Savage") (i) in connection with the training of Robert DeNiro as a fighter and

(ii) in connection with the production of the feature-length motion picture presently entitled "RAGING BULL" (hereinafter referred to as the "Photoplay").

2. (a) Your services ("training services") in connection with assisting Robert DeNiro to train to be a fighter shall commence during the month of November 1977.

(b) Your services ("production services") in connection with the production of the Photoplay shall commence on such date as we shall designate by written notice to you not less than, five (5) days prior to such date, which date shall not be later than commencement of principal photography and shall continue for such time as the services of Savage are reasonably required hereunder.

3. (a) We shall have complete control of the production of the Photoplay including, but not, limited to, all business and artistic controls.

(b) Savage will render his services hereunder at such places as we may from time to time reasonably designate and will comply with all of our reasonable instructions, directions, requests, rules and regulations.

4. (a) We agree to pay to you for the services of Savage hereunder the following compensation:

(1) We will pay to you the sum of Twenty-five Thousand Dollars ($25,000) in connection with the training services, which sum

shall be payable upon the commencement of principal photography.

(2) We will pay to you in connection with the production services the sum of One Hundred Thousand Dollars ($100,000) in equal weekly installments during the scheduled period of principal photography of the Photoplay. The first of such weekly installments shall be paid on or before Thursday of the week succeeding the first week of principal photography of the Photoplay and the remaining weekly installments shall be payable at consecutive weekly intervals thereafter.

(3) In addition to the compensation payable to you pursuant to subparagraphs (1) and (2) above, you shall be entitled to receive a sum equal to 4% of 100% of the net profits (as said term is defined, computed and accounted for in Exhibit "A" attached to the Agreement dated November 19, 1976 between Jake LaMotta and Peter Savage, on the one hand, and us, on the other hand, relating to the acquisition of the motion picture and certain other rights in the literary material entitled "RAGING BULL".

(b) Nothing herein contained shall be construed to obligate us to produce, release, distribute, exhibit, advertise or exploit the Photoplay or authorize any other person, firm or corporation so to do. We have not made nor is the distributor of the Photoplay required to make any representation or warranty with respect to the amount of gross receipts or net

profits which will or may be derived from the Photoplay.

(c) We shall have the right to deduct and withhold from the compensation payable to you hereunder the amounts required to be deducted and withheld by us pursuant to any applicable present or future law or governmental rule or regulation requiring such withholding or deducting.

(d) Any and all payments that may be required to be made to you hereunder shall be made payable to you and shall be sent to you at the address hereinabove set forth or to such other address as you may from time to time designate in writing.

5. (a) You agree that all the results and proceeds of Savage's services hereunder, including, but not limited to, all material, works, writing, ideas, "gags" or dialogue composed, submitted or interpolated by you in connection with the preparation or production of the Photoplay shall automatically become our property and we for this purpose shall be deemed to be the author thereof. You shall cause Savage at our request to execute such assignments, certificates or other instruments as we may from time to time deem reasonably necessary or desirable to evidence, establish, maintain, protect, enforce or defend our right or title in or to any such material.

(b) You also grant to us the perpetual but non-exclusive right to use and to license others to use Savage's name and reproductions of his physical

likeness and reproductions of his voice for the purpose of advertising and exploiting the Photoplay.

6. (a) If the Photoplay is produced and released, Savage shall be entitled to receive credit below the title of the Photoplay on all positive prints (on the main titles ~~if the "Produced by" credit appears thereon, otherwise on the end titles)~~ [unless all credits appear on the end title in which event Savage's credit will appear on the end title)] [Inserted text initialed by parties] of the Photoplay on a separate card immediately before the screenplay credit and in paid advertising issued, ordered or placed by us or the distributor of the Photoplay the credit "Produced in Association with Peter Savage", in size of type not less than the size of type used for the "Produced by" credit accorded to Robert Chartoff and Irwin Winkler.

(b) Notwithstanding the provisions of subparagraph (a) above, we shall not be obligated to give Savage credit in any of the following (hereinafter referred to as "Excluded Advertising"):

(1) Teaser or special advertising or publicity;

(2) Advertising or publicity relating to the story, play or other work on which the Photoplay is based, any of the members of the cast, the director, the author or the producers;

(3) Group, list or institutional advertising or publicity;

(4) Any advertising or publicity written in narrative form or commercial or merchandising tie-ups, merchandising by-products, phonograph records, phonograph record album covers, advertising accessories or products of any kind;

(5) Advertising of eight (8) column inches or less;

(6) Trailers or other advertising on the screen;

(7) Radio or television advertising or publicity;

(8) Credit on screen at the end of the Photoplay;

(9) Any exploitation, publication of fictionalization of the story, screenplay or other literary, dramatic or musical material upon which the Photoplay is based.

Notwithstanding anything herein to the contrary contained, if the names of the producer, the director and the screenplay writers appear in any Excluded Advertising (other than teasers or advertising or publicity relating to awards and nominations or congratulatory advertising), then Savage's name shall also appear therein.

(c) No casual or inadvertent failure to comply with the provisions of this Paragraph 6 shall constitute a breach of this Agreement. In the event of a failure or an omission constituting a breach of the provisions of this Paragraph 6, your rights and remedies shall be

limited to your right, if any, to recover damages in an action at law, but in no event shall you be entitled by reason of any such breach to terminate this Agreement, or to enjoin or restrain the distribution or exhibition of the Photoplay or the advertising or publicizing thereof.

7. During the period that Savage is rendering training services we shall pay to you the sum of Seven Hundred Fifty Dollars ($750) a week as and for his living expenses but in no event for more than thirty-six (36) weeks.

8. This Agreement shall be deemed to have been made under and shall be governed by the laws of the State of New York applicable to a contract made and fully to be performed therein.

9. No waiver, whether it be express or implied, of, any breach of any term, condition or provision of this Agreement shall be construed to be a continuing waiver or consent to any subsequent breach on the part of either of us.

10. We may transfer or assign this Agreement or all or any part of the rights hereunder to any person, firm or corporation and this Agreement shall inure to our benefit and to the benefit of our successors and assigns but no such transfer or assignment shall release us of our obligations hereunder unless such transfer or assignment is to a "major motion picture company" (as said term is hereinafter defined) which assumes or guarantees our obligations hereunder. As used herein, the term "major motion picture

company" shall mean and include Paramount Pictures Corporation, Warner Bros. Inc., Twentieth Century-Fox Film Corporation, United Artists Corporation, Universal Pictures, Columbia Pictures and Metro-Goldwyn-Mayer Inc.

11. (a) All notices which we are required or may desire to serve upon you under or in connection with this Agreement may be served by addressing them to you c/o Martin Heller, Esq., 9601 Wilshire Boulevard, Beverly Hills, California 90210, or at such other address as may be designated by you from time to time in writing.

(b) All notices which you are required or may desire to serve upon us under or in connection with this Agreement may be served by addressing them to us at 10202 West Washington Boulevard, Culver City, California 90210 with a copy to us c/o Hess Segall Guterman Pelz & Steiner, 230 Park Avenue, New York, New York 10017 (Attention: Lee N. Steiner, Esq.) or at such other address or addresses as may be designated by us from time to time in writing.

(c) All notices served by either party on the other shall either be, sent by mail, postage prepaid, or by telegraph, cable or telex.

(d) Any notice shall be deemed served unless expressly herein in this Agreement stated to the contrary two (2) days after deposit in the mails in the same city in which the notice is to be given or five (5) days, excluding Sundays and holidays, after deposit in the mails outside the city in which the notice is to

be given (provided said notice is air mail and air mail service is available between the place of deposit and the place where notice is to be given) or one (1) day, excluding Sundays and holidays, after delivery of the original notice to the cable or telegraph office or the day of transmission if sent by telex.

12. Nothing herein contained shall be construed to create a partnership or joint venture by or between you and us or make either of us the agent of the other. Each of the parties hereto agree not to hold themselves out as the partner or agent of the other or otherwise in any manner contrary to the terms of this Agreement and neither of the parties hereto shall be or become liable or bound by any representation, act, omission or agreement whatsoever of the other which may be contrary to the provisions of this Agreement.

13. The aforesaid represents our full and complete understanding, and may not be changed or modified by you or us except by written instrument executed by you and by us.

Our signature at the foot hereof, together with yours underneath the words "AGREED TO AND ACCEPTED" shall constitute this a valid, binding and enforceable agreement between us.

Very truly yours,

CHARTOFF-WINKLER
PRODUCTIONS, INC.

By: /s/ Irwin Winkler

AGREED TO AND ACCEPTED:

PETER SAVAGE ENTERPRISES, INC.

By: /s/ Peter Savage
Peter Savage

AGREEMENT OF ARTIST

In consideration of the execution by the parties hereto of the Agreement dated as of October 15, 1977 between Peter SAVAGE ENTERPRISES, INC. ("Lending Company") and CHARTOFF-WINKLER PRODUCTIONS, INC. ("Producer") relating to my training services and production services with respect to the motion picture presently entitled "RAGING BULL", I agree as follows, for the express benefit of the Producer and the distributor of the above-entitled motion picture:

1. Lending Company has the right to enter into said Agreement and to grant all rights therein granted, including but not limited to the rights for the use of my services, name, voice and likeness.

2. I agree to perform said Agreement in all respects in which it provides for performance by me, whether or not Lending Company performs its obligations under said Agreement with me, and whether or not my employment contract with Lending Company remains in force or effect.

3. I agree that I am bound by all of the provisions thereof relating to me.

4. I will look solely to Lending Company for payment of my compensation. ~~I confirm my understanding that the Producer has no responsibility or obligation for the payment of such compensation.~~ [Initialed by parties]

Dated: /s/ Peter Savage
Peter Savage

APPROVED AND ACCEPTED:

CHARTOFF-WINKLER PRODUCTIONS, INC.

By: /s/ Irwin Winkler

EXHIBIT 9

CONFIDENTIAL PURSUANT TO PROTECTIVE ORDER

[c/o MGM Studios
10202 W. Washington Blvd
Culver City, Cal 90230]

348 East 58th St.
New York, N. Y. 10022
Tel: (212) 355-5570

March 15, 1978

Dear Irwin:

Enclosed you will find the *original* first draft on Jake's story, as per your request.

It was this version that sold the book to Prentice-Hall. I hope it will help your new writer in some measure.

Irwin, there are also a number of interesting situations that I have written down as with some notes and I would be very happy to discuss them or to send them on to the writer.

If there is anything else that I can do, please ask.

Sincerely yours,

Peter Savage
2803 Weeks Ave.
Oceanside, N. Y. 11572

PS/es
Encl.

---

* * *

EXHIBIT 12

CONFIDENTIAL PURSUANT TO PROTECTIVE ORDER

Law Offices
Regan Goldfarb Heller Wetzler & Quinn
2601 Wilshire Boulevard
Beverly Hills, California 90210

(213) 273-3737

November 17, 1980

[Attorney Names Omitted in Printing]

Mr. Carl Erbey
340 West 57th Street
New York, New York 10019

Dear Carl:

As I told you Jake LaMotta and Peter Savage came to see me for the first time in 1969. They handed me a screenplay which Pete Savage had written based on Jake's life. I understand from other sources that this same screenplay had been offered for some time prior to our meeting. I read the screenplay, saw much substance in it but advised Jake and Pete that it would have to be rewritten by a professional screenplay writer to properly present it and that would be expensive. They asked my opinion of what should be done. I suggested the possibility of turning the screenplay into a novel. I explained that as a novel there was always the possibility of someone reading it and wanting to do it as a motion picture. They left it in my hands. I made a publishing deal

with Prentice-Hall. The book was published in 1970 and you will note the book is dedicated to "My friend Marty Heller" and to Jake's children.

In 1970 Pete and I flew to the Coast loaded with copies of the book and met with some of the studios. No one was interested in "doing a picture on boxing". Pointing out to them this was not a book about boxing but an in depth study of a boxer and all its ramnifications [sic] was futile.

Throughout the years we received from time to time offers for the movie rights which were mainly unsatisfactory in that they were requests for options at very low prices. However, in 1977 Robert DeNiro read the book RAGING BULL, got in touch with Pete Savage and three years later the film opens. It took eleven years to get to this point; there is now much talk about Academy Awards for the Picture and the people associated with the picture.

Carl, when you come right down to it the book is the reason "Raging Bull" is on the screen. And, since there is no screen credit for lawyers, I thought I would let you know, because of my feelings for you, I did play a part in the re-birth of Jake LaMotta.

Enjoy the Picture –

All the best, always

/s/ Martin

MARTIN HELLER

MH:mv

---

* * *

EXHIBIT 18

CONFIDENTIAL – PURSUANT TO PROTECTIVE ORDER

[LOGO]

A METRO-GOLDWYN-MAYER STUDIOS INC.
2500 BROADWAY STREET,
SANTA MONICA, CALIFORNIA 90404-3061

PATRICIA VICTORIA MAYER
SENIOR VICE PRESIDENT
LEGAL DIVISION

July 2, 1999

Karen J. Gottlieb
Grubman Indursky & Schndler [sic], P.C.
Carnegie Hall Tower
152 West 57th Street
New York, NY 10019

Re: Raging Bull

Dear Karen: [M]

Thank you for your letter of June 16, 1999. After much investigation, I still have not been able to locate a copy of any letter you say you sent on November 12, 1998. I was out of the country at the time.

Please send us a copy and we will review the information you provided.

Very truly yours,

/s/ Patricia V. Mayer
Patricia V. Mayer

cc. Legal Files
Darcie Denkert

EXHIBIT 19

CONFIDENTIAL – PURSUANT TO PROTECTIVE ORDER

Is your RETURN ADDRESS completed on the reverse side?	**SENDER:** ■ Complete items 1 and/or 2 for additional services. ■ Complete items 3, 4a and 4b. ■ Print your name and address on the reverse of this form so that we can return this card to you. ■ Attach this form to the front of the mailpiece, or on the back if space does not permit. ■ Write "*Return Receipt Requested*" on the mailpiece below the article number. ■ The Return Receipt will show to whom the article was delivered and the date delivered.	I also wish to receive the following services (for an extra fee): 1. ☐ Addressee's Address 2. ☐ Restricted Delivery Consult postmaster for fee.

Thank you for using Return Receipt Service

3. Article Addressed to:	4a. Article Number P 123932913
Ms. Patricia Victoria Mayer Sen. VP, Legal Division MGM/UA Ent. Company 2500 Broadway St. Santa Monica, CA 90404	4b. Service Type ☒ Registered ☐ Certified ☐ Express Mail ☐ Insured ☐ Return Receipt for Merchandise ☐ COD
5. Received By: *(Print Name)*	7. Date of Delivery NOV 20 1998
6. Signature: *(Addressee of Agent)* X [Illegible]	8. Addressee's Address *(Only if requested and fee is paid)*

PS Form 3841, December 1994 102595-98-B-0229
Domestic Return Receipt

GRUBMAN INDURSKY & SCHINDLER, P.C.

ATTORNEYS AT LAW

CARNEGIE HALL TOWER
152 WEST 57TH STREET
NEW YORK, N. Y. 10019-3301
TELEPHONE: (212) 554-0400
TELEFAX: (212) 554-0444

WRITER'S DIRECT NUMBER
(212) 554-0443

[Attorney Names Omitted In Printing]

Via Registered Mail, Return Receipt and Facsimile to (310) 449-3029

November 12, 1998

Ms. Patricia Victoria Mayer
Senior Vice President, Legal Division
MGM/UA Entertainment Company
2500 Broadway Street
Santa Monica, California 90404

Re: "Raging Bull"

Dear Ms. Mayer:

Thank you for your letter of September 14, 1998. It appears, however, that your analysis is mistaken. My client's claim is based on the screenplay entitled "Raging Bull, Jake LaMotta; or The Ice Pick and The Glove" written by F. Peter Petrella and registered with the United States Copyright Office on October 9, 1963, Registration Number DU58670 (the "Screenplay"). A copy of such registration, clearly indicating that Frank Peter Petralla [sic] is the sole author thereof, is attached hereto for your convenience.

Although your reliance on *Stewart v. Abend* as the applicable legal precedent is correct, given that Mr. Petrella is the sole author of the Screenplay, the outcome of your analysis is not. Rather, the death of Mr. Petrella caused all copyrights in and to the Screenplay to vest in Mr. Petrella's heirs upon the expiration of the initial copyright term, as the heirs had exercised their renewal rights.

As to whether any copyrightable elements from the Screenplay appear in the motion picture "Raging Bull", this seems to be an issue of fact on which we disagree.

Accordingly, our position remains as stated in my letter of September 1, 1998. I again suggest that you contact me with respect to acquiring the right to continue exploiting "Raging Bull" or any other derivative work based upon the Screenplay. Otherwise, we will have no choice but to ask you to cease and desist from such exploitation and to pursue any and all legal and/or equitable remedies that may be available to Mr. Petrella's heirs. Additionally, I repeat my request for an accounting of all revenues derived in connection with the exploitation of copyrights in and to the Screenplay, including, without limitation, the exploitation of the motion picture entitled "Raging Bull" and any other derivative works, occurring after the expiration of the initial term of copyright.

Finally, and apart from the matter discussed above, my clients are entitled to a share of the net profits of "Raging Bull" pursuant to (i) the agreement dated November 19, 1976 between Chartoff-Winkler Productions on one hand and Peter Savage and Jake LaMotta on the other hand and (ii) the agreement dated as of October 15, 1977 between Chartoff-Winkler Productions on one hand and Peter Savage Enterprises, Inc. As it has been several years since any statement was rendered to my clients, I ask that a copy of the most recent statement pertaining to this picture be forwarded to me for review.

Thank you in advance for your prompt response.

The foregoing is without prejudice to any and all rights and remedies my clients may have in connection with this matter, all of which are hereby reserved.

Very truly yours,

/s/ Karen J. Gottlieb
Karen J. Gottlieb

Enclosures

cc: Eleanor Petrella (w/encl.)
Lawrence Shire, Esq. (w/encl.)

LIBRARY OF CONGRESS
Copyright Office
of the United States
WASHINGTON, D.C.

ADDITIONAL CERTIFICATE OF REGISTRATION
OF A CLAIM TO COPYRIGHT

[SEAL]

THIS IS TO CERTIFY THAT THE STATEMENTS SET FORTH IN THE ATTACHED HAVE BEEN MADE A PART OF THE RECORDS OF THE COPYRIGHT OFFICE WITH CLAIM OF COPYRIGHT REGISTERED UNDER NUMBER

DU 58670

IN TESTIMONY WHEREOF, THE SEAL OF THIS OFFICE IS AFFIXED HERETO ON

April 28, 1991

/s/ [Illegible]
REGISTER OF COPYRIGHTS
United States of America

REGISTER OF COPYRIGHTS

* * *

[Here Appears The Copyright Registration Certificate For the 1963 Screenplay, printed at JA 194-98]

EXHIBIT 20

GRUBMAN INDURSKY & SCHINDLER, P.C.

ATTORNEYS AT LAW

CARNEGIE HALL TOWER
152 WEST 57TH STREET
NEW YORK, N. Y. 10019-3301
TELEPHONE: (212) 554-0400
TELEFAX: (212) 554-0444

WRITER'S DIRECT NUMBER

(212) 554-0443

KGottlieb@GISPC.com

[Attorney Names Omitted In Printing]

Via Registered Mail, Return Receipt

March 6, 2000

Ms. Patricia Victoria Mayer
Senior Vice President, Legal Division
MGM/UA Entertainment Company
2500 Broadway Street
Santa Monica, California 90404

Re: "Raging Bull"

Dear Ms. Mayer:

Responding to your June 22, 1999 letter, enclosed as you requested is a copy of the screenplay entitled "Raging Bull, Jake LaMotta; or The Ice Pick and The Glove" written by F. Peter Petrella and registered with the United States Copyright Office on October 9,

1963 (the "Screenplay") for your review in connection with the positions and demands stated in my June 16, 1999, July 14, 1999 and November 12, 1999 letters to you (all of which are incorporated herein by this reference).

I suggest you contact me immediately following your review of the Screenplay to discuss all matters set forth in my previous letters to you.

The foregoing is without prejudice to any and all rights and remedies my client may have in connection with this matter, all of which are hereby reserved.

Very truly yours,

/s/ Karen Gottlieb
Karen J. Gottlieb /RS

Enclosure
cc: Eleanor Petrella (via facsimile – w/o encl.)
Lawrence Shire, Esq. (w/o encl.)

EXHIBIT 21

CONFIDENTIAL – PURSUANT TO PROTECTIVE ORDER

[LOGO]

METRO-GOLDWYN-MAYER STUDIOS INC.
2500 BROADWAY STREET,
SANTA MONICA, CALIFORNIA 90404-3061

April 5, 2000

Via U.S. Mail

Karen J. Gottlieb
Grubman Indursky & Schindler, P.C.
Carnegie Hall Tower
152 West 57 Street
New York, NY 10019-3301

Re: "Raging Bull"

Dear Ms. Gottlieb:

Responding to your letter of March 6, 2000, I am having the script you sent compared with the final shooting script for "Raging Bull". However, I would like to point out that the front of the script you sent me acknowledges that it was authored jointly with Mr. Lamotta [sic]. Therefore, the "Abend" case does not apply as Mr. Lamotta [sic] survived into the second term of copyright. It is a courtesy to you and without prejudice to that position, that I am having the scripts compared.

The foregoing is not intended to be a complete statement of the facts or of MGM or UA's position on this

matter. This letter is sent without prejudice to any and all rights and remedies MGM or UA may have in connection with the above referenced matter, all of which are hereby reserved.

Very truly yours,

/s/ Patty V. Mayer (KMR)

Dictated but not read by
Patricia V. Mayer
Sr. Vice President, Legal Division

Cc: Legal Files
Chron Files
File

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

THE HON. GEORGE H. WU, PRESIDING

PAULA PETRELLA, an individual,	)	
Plaintiff,	)	**No. CV 09-0072 GW (MANx)**
vs.	)	
METRO-GOLDWYN-MAYER, INC., a corporation; METRO-GOLDWYNMAYER STUDIOS, INC., a corporation; METRO-GOLDWYNMAYER HOME ENTERTAINMENT, LLC, a limited liability company; METRO-GOLDWYN-MAYER HOME ENTERTAINMENT DISTRIBUTION CORPORATION, a corporation; UNITED ARTISTS CORPORATION, a corporation; 20TH CENTURY FOX HOME ENTERTAINMENT, LLC, a limited liability company; and DOES 1 THROUGH 10, inclusive,,	)	
Defendants.	)	

REPORTER'S TRANSCRIPT ON APPEAL

LOS ANGELES, CALIFORNIA

THURSDAY, OCTOBER 22, 2009; 10:28 AM

APPEARANCES OF COUNSEL:

FOR THE PLAINTIFF:

KULIK GOTTESMAN MOUTON
& SIEGEL LLP
BY: GLEN L. KULIK
AND: ALISA S. EDELSON
Attorneys at Law
15303 Ventura Boulevard, Suite 1400
Sherman Oaks, CA 91403
310-557-9200
Fax: 310-557-0224
Email: gkulik@kgmslaw.com
aedelson@kgmslaw.com

FOR THE DEFENDANTS:

LOEB & LOEB LLP
BY: JONATHAN ZAVIN
AND: DAVID AARON GROSSMAN
Attorneys at Law
10100 Santa Monica Boulevard, Suite 2200
Los Angeles, California 90067-4120
310-282-2000
Fax: 310-282-2200
Email: Dgrossman@loeb.com
jzavin@loeb.com

[3] LOS ANGELES, CA.;
THURSDAY, OCTOBER 22, 2009; 10:28 AM

-oOo-

THE COURT: Let me call the matter of Petrella v. Metro-Goldwyn-Mayer.

MR. ZAVIN: Good morning, Your Honor, Jonathan Zavin and David Grossman with Lobe [sic] and Lobe [sic] for the defendants.

THE COURT: All right.

MR. KULIK: Good morning, Your Honor. I'm Glen Kulik with Alisa Edelson for the plaintiffs.

THE COURT: All right. Let me ask counsel, both sides got a copy of the Court's tentative?

MR. KULIK: Yes, we did.

MR. ZAVIN: We did, Your Honor.

THE COURT: Anybody want to argue anything?

MR. ZAVIN: I'd like to, Your Honor.

THE COURT: All right.

MR. KULIK: So would I, your Honor.

THE COURT: All right.

MR. KULIK: Your Honor, I'd like to start with the laches defense. I believe sincerely that there is at least an issue of fact with regard to laches.

I don't see how there couldn't be an issue of fact when the only evidence in support of the defense in terms of [4] expectations type prejudice is the fact that they've spent money.

The Ninth Circuit this year stated that the mere expenditure of money does not itself establish prejudice because if it did you'd have prejudice and you'd have laches in every case.

We have shown through the one deposition that we've been permitted to take thus far in the case, that of Mr. Slizewski who is the PMK for MGM on this issue, that number one after a lengthy exchange of claims and arguments between 1998 and the year 2000 between the parties, according to Mr. Slizewski, MGM did not do anything different than it normally does when it promotes a movie of this kind. It did exactly what it was going to do.

THE COURT: Let me stop you, the problem really is the longer the delay the less of a strong showing to my mind the defense has to make in regards to prejudice.

In this particular situation your client apparently knew of the claims that she had certainly in '90/'91 when she consulted an attorney in regards to the issues that were involved in this particular matter. So what we are talking about here is a period of time of roughly 18 or 19 years, and at some point in time the client pretty much has to wake up.

MR. KULIK: Well, Your Honor, we've explained some [5] of the things that were going on during those years, but again the mere passage of time –

Let me start from the proposition that when you have an *Abend* type case you are always going to have a case that is going on some 20 or 30 years after the real events took place.

THE COURT: Why would that be? Not necessarily.

MR. KULIK: Well, but typically, Your Honor, because the person has to die during the initial 28-year period. You don't get your rights until after the initial 28-year period expired unless something was – well, for that reason a lot of these cases take place long after the fact.

THE COURT: Again, we are not talking about the situation of what occurred prior to '90/'91. We are talking about what happened after '90/'91, and certainly again she knew in '90/'91 of the situation, or certainly her attorney should have known, given her informing him of what the operative facts were.

MR. KULIK: But, your Honor, again, we are not here arguing that there has been no delay. Yes, there was a delay, and yes it was certainly a lengthy delay, but that's not the only issue of inquiry here.

THE COURT: I agree.

MR. KULIK: They still have to show prejudice and [6] what I'm saying is I don't think they've shown prejudice.

In fact, out of their own mouths I don't think they've shown prejudice. I think they've conceded that there wasn't any prejudice.

In addition to that fact, again, we can only take what the PMK – we are looking for an issue of fact if there is one here.

THE COURT: Well, but there is that discussion in the case that the Court cites where you have a situation where somebody basically sits on their rights. In other words, that which the defendants would have done vis-a-vis the movie may have in fact been different in the sense that if they knew that this additional person would have to have been paid, they may have done something different vis-a-vis the treatment of the movie.

MR. KULIK: Well, Your Honor, that's speculation. All I can deal with is the evidence before the Court right now. We took the deposition.

Again, this case really is at an early stage. There have been two depositions taken. We have motions to compel documents that are pending. I have to make a motion to compel witnesses to be produced.

I can only deal with the evidence that's before the Court right now, but I did make the point in my opposition to separate statement that I feel a little bit

[7] taken aback by the quickness with which this motion was filed without any notice.

THE COURT: Well, there was obvious notice in the sense that one side filed.

MR. KULIK: But, Your Honor, they've stonewalled us in discovery and then gave us one or two depositions.

THE COURT: Let me stop you. You didn't really make a 56F request for continuation of the motion. If you'd made that argument in that particular context that probably would have been more effective. But the problem is that you didn't oppose and this is the situation we have now.

MR. KULIK: Okay. You are right, Your Honor. What I'm saying is that the person most knowledgeable for MGM testified that during the period 1998, at least '98 through the present right up until the date of his deposition which was last month I believe, that MGM did not do one thing differently with knowledge of the extensive arguments that were going on between 1998 and 2000.

Even after this lawsuit was filed at the beginning of this year MGM did not do one thing differently. There is no evidence before the Court that anything would have changed here.

THE COURT: Let me stop you. I understand your argument. Let me hear a response from the defense.

MR. KULIK: Well, there is a couple more points to [8] make on the same laches argument –

THE COURT: Oh, okay.

MR. KULIK: – just so I have it all out so counsel can respond at once. If this case had been filed in 1997 or 1998 hypothetically, one of two things would have happened, either the plaintiff would have won, in which case the extensive profits that the defendant has earned in the last ten years – we've shown through the few documents that they've given us that they were still showing a 10 million-dollar deficit in 1998 after 18 years of exploiting a movie that cost $15 million to make.

In 2007 when they finally sent us another statement the movie was only $3 million in deficit. If this case had been filed in 1998, hypothetically one of two things would have happened. Either the plaintiff would have prevailed and the defendant would still have a 10 million-dollar deficit today or the plaintiff would have lost in which case defendant would have continued to do exactly what they've done anyway. That's why I'm saying there is at least an issue of fact whether there has been any prejudice here. That is specific evidence before the Court.

The last thing I want to say on the subject of laches, Your Honor, is that we've also raised the question of willful infringement. Willful infringement – laches [9] doesn't apply if there is willful infringement.

We believe that again in light of the notice that was given back in 1997, '98, and 1999 – again, we have not been permitted to take discovery on the issue yet, but we believe that they knew that they did not own the rights or there was a serious question about it and they did not do anything. We believe what they've been doing the last ten years was willful infringement.

THE COURT: Let me stop you. The movie was made in 1980, so therefore they had contracts with certainly at least one person who clearly had rights in that regard,

Mr. LaMotta himself, so therefore to say that there was somehow some willful activity is I think really stretching it to the point where that argument's broke.

MR. KULIK: Well, Your Honor, on that point, this was another point that I was going to cover, but since you've raised it now and it is related I suppose in some way to this issue, I think the tentative ruling makes a very fundamental mistake on this point.

If you and I write a screenplay and we are the co-owners of that screenplay and you sell your rights to someone else or you license your rights to someone else, yes, that person can exploit the screenplay and all I can do if the co-owner, you in this case, doesn't account to me is to try to get you to account and pay me what's owed. But [10] that's not what happened

here, Your Honor. This is where the Court made a fundamental mistake I believe in its tentative ruling.

THE COURT: Let me stop. I think Mr. LaMotta has the rights to his own life and therefore he can assign his rights to someone else to make a movie of it.

In other words, you'd have to show that they actually took something from the screenplay which was not either authored by Mr. LaMotta or was not otherwise based on his life and that is something yet that you can claim I suppose as the copyright violation. But to say that it's willful, I mean, again, it's sort of hard. I really just don't even see it in this particular regard.

MR. KULIK: Your Honor, if the book is a derivative work of the 1963 screenplay –

THE COURT: Well, the screenplay is a deliberative [sic] work of the guy's life.

MR. KULIK: Well, Your Honor, but copyright does not talk in terms of derivative work of somebody's life. It's a work. It's a 100-page-plus work where somebody created a story. And, yes, it is based on somebody, but that's what we are here to discuss. That's what we are debating, the copyrightable elements.

THE COURT: I understand your arguments.

Let me hear from the defense in regards to the [11] laches.

MR. KULIK: Thank you.

MR. ZAVIN: Your Honor, obviously I will be brief because we do agree with your tentative with regard to the laches.

THE COURT: Let me just ask, what is the prejudice?

MR. ZAVIN: Well, there are two. Plaintiffs' counsel mentioned only one, which is expectation-based prejudice. Obviously, this is almost exactly the same facts as *Danjaq* where a plaintiff waited to see knowing that she had a claim, believing the film wasn't profitable waited 19 years to when it might be profitable, letting the film company or the studio continue to invest and take risk. And what they are saying is, well, the risk paid off in that you made some more money on it and therefore you were not prejudiced.

Well, the prejudice is in expectation prejudice, just as the Ninth Circuit explained in *Danjaq,* is that the film company continued to promote, continued to invest and took the risk. And now they are coming in 19 years later and saying, well, now we want to make our claim. That's clear expectation-based prejudice.

In addition, there is clear evidentiary prejudice which wasn't mentioned by plaintiff's counsel which is this [12] whole issue they've tried to create as to

which was written first, despite the written representations of Mr. Petrella and Mr. LaMotta, everybody's dead.

THE COURT: Well, Mr. LaMotta is alive.

MR. ZAVIN: Yes. Mr. LaMotta is alive. I misspoke, but apparently not in a position to testify.

THE COURT: All right.

MR. ZAVIN: So that there is clear prejudice and this is just *Danjaq* redux.

THE COURT: All right.

MR. KULIK: Can I respond on the question of the evidentiary prejudice?

THE COURT: Yes.

MR. KULIK: Your Honor, there is no evidence before you that establishes that Mr. LaMotta can't testify in this case.

No one has tried to take his deposition. There is no note from a doctor or declaration from a doctor. All we have here is a statement from my client that when she saw him last he thought he was confused and thought she was her mother.

That certainly can't be conclusive evidence in and of itself of evidentiary prejudice and I also point out that while Your Honor focused on that in your tentative they didn't even argue that really in their motion. There are [13] two headings on that motion.

Plaintiff delayed 18 years, and number two defendants will suffer expectation-based prejudice.

In a footnote they made the point that plaintiff said that Mr. LaMotta was confused when she saw him last, but there is no evidence before you that if the suit had been filed ten years ago his memory would have been any better. There is just nothing in front of you. You are making an assumption. They are making an assumption. The evidence is not before you on that.

Also, again, all they've done is spent money, but there is no prejudice. They have not lost anything. They've only gained.

Again, if the suit was filed in 1998, one of two things would have happened, the plaintiff would have won and they would still be $10 million in the hole, not $3 million in the hole, or the plaintiff would have lost in which case according to their PMK they would have continued to do everything they have already done without change, because the guy testified unequivocally that the filing of this lawsuit and the making of the claim ten years ago had no impact on anything they did.

He was unable to identify – I specifically asked what would you have done differently if this suit was filed ten years ago, 15 years ago, and his answer was I don't [14] know.

He was unable to identify as the PMK anything that this defendant would have done differently. And

Raging Bull is not James Bond. Look at those two cases. This is not *Danjaq*. This is an aberrant case and there is no future franchise for *Raging Bull*. James Bond is going to continue to be James Bond for the rest of our lifetime. That was the prejudice in that case.

THE COURT: I do think that it's pretty much conceded that Raging Bull was one of the premier movies of its time. So you are right there is not going to be Raging Bull II or Raging Bull III, but there still is some value there.

Anything else from either side?

MR. KULIK: Not on that issue, Your Honor.

THE COURT: All right.

MR. ZAVIN: Your Honor, may I be heard on a couple of the other portions of your tentative?

THE COURT: Sure.

MR. ZAVIN: Your Honor, in your tentative you suggested that if you do find an issue on laches, which I suspect and I hope you will not, that you would not be able to rule on substantial similarity because, as I understood the tentative, you are saying that the defendant did not prove there are only six elements in the 1963 screenplay [15] that were not in the book.

I think perhaps I did not emphasize it enough, but before Your Honor is the plaintiff's admission that there are only those six elements. Exhibit U to

the Grossman declaration which was submitted on reply is a chart prepared by the plaintiff. It was prepared by the plaintiff herself, and it was the chart relied on by the plaintiffs' expert which specifically shows which elements they are claiming are whether they appear in the '63 screenplay, the book or the '73 screenplay.

It was not the defendant's assertion that there were only six elements that appeared in the '63 screenplay that didn't appear in the book. It was the plaintiff's admission.

THE COURT: All right. Let me stop. Let me ask a response from the plaintiff on that point.

MR. KULIK: Yes, Your Honor. Again, in the interrogatory answer, my client is a layperson. She answered to the best of her ability. If you look at the Hunter declaration pages 8 to 18, there are ten pages of similarities which are in the '63 screenplay and in the movie that are not in the book. So that's my response to that, Your Honor.

I have one more issue, but I will let you finish this one.

[16] MR. ZAVIN: Your Honor, I would leave it to the court to read Mr. Hunter's declaration, but I believe Mr. Kulik is simply mistaken.

Mr. Hunter in his declaration in effect adopts this chart. What he says is there were originally in the chart four things alone that were only in the '63 screenplay. Mr. Hunter added two more.

Those six things are listed on page 11 of the reply brief, but they are directly drawn from the plaintiff's own chart and from Mr. Hunter's declaration. There is no dispute that those are the only six similarities that appeared only in the '63 screenplay.

THE COURT: All right.

MR. ZAVIN: If that's the case, I think based on your own tentative you said that those would not be copyrightable and there could be no substantial similarity. So we would request that Your Honor reconsider that portion of the tentative.

THE COURT: All right.

MR. ZAVIN: On unjust enrichment I would also respectfully request Your Honor reconsider that.

Under copyright law preemption is anything that is the subject matter of copyright is preempted as long as there is no extra element, as noted by Your Honor.

I'm not aware of any case where unjust enrichment [17] has been held to have an extra element. Merely the fact that a copyright – there is a defense to a copyright claim such as a co-owner cannot sue another co-owner doesn't mean that the subject matter is still not preempted by copyright.

If that were the case, any time anyone had a defense to a copyright claim they could simply then assert unjust enrichment. What they would be trying to recover for is the exact same exploitation of a

copyrighted work that the Copyright Act both bars and preempts.

And I think if Your Honor looks at even plaintiff's brief they are not asserting there is any extra element in unjust enrichment, so we would respectfully request that that be revisited.

THE COURT: All right.

MR. ZAVIN: And then finally if I can try your patience for one more.

THE COURT: Sure.

MR. ZAVIN: On the accounting I believe there is a mistake. The plaintiffs – I'm sorry – the defendants for purposes of this motion are not claiming that they own any portion of the 1963 screenplay.

We noted in our brief that on the first page it said Mr. LaMotta co-wrote it, but we are not claiming ownership. There is no accounting action even in their [18] complaint. The plaintiffs do not have an accounting action based on the 1963 screenplay.

THE COURT: All right. Yes.

MR. KULIK: Your Honor, the cases dealing with preemption of unjust enrichment claims almost always involve idea-theft litigation. You won't remember this, but you and I actually when you were a state court judge –

THE COURT: I remember.

MR. KULIK: – had a very lengthy debate on that subject.

We are suing the defendant as a fallback position to our copyright infringement claim. If Your Honor were to conclude that there is no potential copyright infringement claim, then we are at least a co-owner of the material they claim is the basis for their film and we are entitled to an accounting and to be paid as the co-owner.

They are not accounting to us and they are not paying us and these are the remedies. That has nothing to do – it's akin to a contract claim which has an extra element. This has nothing to do with copyright infringement. This is, assuming there is no copyright infringement, assuming they have the right to exploit their work because they are a co-owner, we are saying they still have to account to us and they have not done so.

I'd like to conclude with this one thing which I [19] consider to be really important to almost every issue we've discussed today.

THE COURT: All right.

MR. KULIK: The 1970 book is a derivative work. The book that was published in 1970 is a derivative work and Section 103, 17 U.S.C. 103 very clearly says that the only thing that anybody can own in a derivative work is that which is new, that which wasn't in the earlier original material, in this case the 1963 screenplay.

The only thing that Mr. LaMotta could have either sold to the other side or licensed to the other side, because he can't sell or license something that he doesn't own, is that which is new that he added to the book that wasn't in the 1963 screenplay. There is no evidence before you that Mr. LaMotta added anything to the book.

I think you've got it reversed here. It's not that the only copyrightable elements would be that which is in the 1963 screenplay that's not in the book. It's the reverse of that. Mr. LaMotta could only license to them to use that which is in the book which wasn't in the 1963 screenplay, because under 17 U.S.C. Section 103 Mr. LaMotta can't sell or license that which he doesn't own.

The only thing that he could conceivably own here is that which was added to the book which actually he added but anybody added, somewhere that's different in the book [20] that wasn't in the 1963 screenplay.

The defendants themselves keep saying that these two things are virtually identical. You yourself have put in your tentative ruling that there is an issue of fact on whether or not the book is a derivative work.

If there is an issue of fact that the book is a derivative work, then the only thing that Mr. LaMotta possibly could have sold or licensed to the defendant here was the things that are new in the book. He didn't own anything in the 1963 screenplay.

THE COURT: What about his life story? He can always sell his life story himself.

MR. KULIK: Well, he could sell his life story, but this is not a life story. We are saying that they copied the protectable elements of expression. Yes, he could give him the life story, but that doesn't end the copyright infringement case.

THE COURT: I understand your point.

MR. KULIK: Thank you, Your Honor.

THE COURT: Let me just do this. To my mind this case rises or falls on the laches issue because I do think that if the Court resolves the laches issue in favor of the plaintiff there are material issues of fact in dispute as to the claims. So to my mind that is the issue and so I will think about it some more and I will hopefully get something [21] out before the end of the week.

Okay. Thank you.

MR. KULIK: Thank you, Your Honor.

MR. ZAVIN: Thank you.

(At 10:50 a.m. proceedings were adjourned.)

DAVID GROSSMAN (SBN 211326)
dgrossman@loeb.com
ROBERT J. CATALANO (SBN 240654)
rcatalano@loeb.com
LOEB & LOEB LLP
10100 Santa Monica Boulevard, Suite 2200
Los Angeles, California 90067-4120
Telephone: 310-282-2000
Facsimile: 310-282-2200

JONATHAN ZAVIN (Admitted *pro hac vice*)
jzavin@loeb.com
LOEB & LOEB LLP
345 Park Avenue
New York, New York 10154-1895
Telephone: 212-407-4000
Facsimile: 212-407-4990

Attorneys for Defendants

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

PAULA PETRELLA, an individual Plaintiff, v. METRO-GOLDWYN-MAYER, INC., a corporation; METRO-GOLDWYN-MAYER STUDIOS, INC., a corporation; METRO-GOLDWYN-MAYER HOME ENTERTAINMENT, LLC,	) Case No. CV 09-0072 GW (MANx))) Assigned to the Hon. George H. Wu)) **[ORDER RE:]**) **DEFENDANTS' STATEMENT OF EVIDENTIARY OBJECTIONS TO EVIDENCE**

a limited liability company; METRO-GOLDWYN-MAYER HOME ENTERTAINMENT DISTRIBUTION CORPORATION, a corporation; UNITED ARTISTS CORPORATION, a corporation; 20TH CENTURY FOX HOME ENTERTAINMENT, LLC, a limited liability company; and DOES 1 THROUGH 10, inclusive Defendants.	**SUBMITTED BY PLAINTIFF IN OPPOSITION TO DEFENDANTS' MOTION FOR SUMMARY JUDGMENT** (Feb. 5, 2010) **FILED UNDER SEAL**

Pursuant to this Court's directive at the hearing on Plaintiffs Motion to Extend the Non-Expert Discovery Cut-Off held on January 28, 2010, defendants Metro-Goldwyn-Mayer Inc., Metro-Goldwyn-Mayer Studios Inc., Metro-Goldwyn-Mayer Home Entertainment LLC, MGM Home Entertainment Distribution Corp., United Artists Corporation, and Twentieth Century Fox Home Entertainment LLC (collectively "Defendants") hereby re-submit their objections to the Declarations of Dr. Lew Hunter, Eric Sherman, Paula Petrella, and Glenn Kulik submitted in Opposition to Defendants' Motion for Summary Judgment, in accordance with the Court's direction.

Evidence	Objection	Sustained	Overruled	Basis
Specific Objections to Evidence Offered by Paula Petrella				
Paragraph 3: My father grew up in Italy and in the Bronx, New York and was a childhood friend of Jake LaMotta. He remained very close personal friends with Mr. LaMotta until the day my father died.	Lacks foundation (Fed. R. Evid. §§ 601, 602); Lacks relevance (Fed. R. Evid. §§ 402, 403); Hearsay (Fed. R. Evid. § 802).	___	X	
Paragraph 4: I was born in 1964. Beginning at the age of 4 or 5 I remember observing my father writing a book about Mr. La Motta. He would write longhand on a yellow legal pad, and my mother would then type what he had written. The reason I remember this occurring so vividly is because it completely dominated my family life for an extended period, and I often fell asleep to the sound of my mother typing away day and night. Nearly every day, for many hours, my father would write, and my mother would type. I estimate this went on for about a year.	Lacks foundation (Fed. R. Evid. §§ 601, 602); Lacks relevance (Fed. R. Evid. §§ 402, 403); Hearsay (Fed. R. Evid. § 802).	X [in part]	X [in part]	[No foundation that what was being written at that time was a book (versus a screenplay) about Mr. La Motta (versus some other subject).]
Paragraph 5: My father and Mr. LaMotta needed Joseph Carter, a writer with a track record, to use his connections to get the book published. I am not aware of Mr. Carter doing any writing on the book but I do know he was instrumental in using his connections to get the book published in 1970. To my knowledge, MGM and its predecessors never received any rights from Mr. Carter as the contracts were with Mr. La Mona [sic] and my father only and I have never seen or heard of any contract between MGM and Mr. Carter whom I understand died in the 1980s.	Lacks foundation (Fed. R. Evid. §§ 601, 602); Lacks relevance (Fed. R. Evid. §§ 402, 403); Hearsay (Fed. R. Evid. § 802).	X	___	[Lack of foundation]
Paragraph 6: Mr. LaMotta was not a writer. I am aware that he gave my father ideas for the book but I never observed, nor have I ever heard, that anyone ever	Lacks foundation (Fed. R. Evid. §§ 601, 602); Lacks relevance (Fed. R. Evid. §§ 402, 403); Hearsay (Fed. R. Evid. § 802).	X	___	[Lack of foundation]

wrote any portion of the book nor the 1963 and 1973 screenplays except for my father. Perhaps that is why Mardik Martin, one of the film's credited screenwriters, said in an interview on the Martin Scorsese Collection DVD of Raging Bull (2004) "Originally – I'm talking about the first two drafts – Pete, his friend who wrote the book, put himself into Jake's life a lot more than happened in real life."				
Paragraph 7: In 1974, my father got a copy of the book to Robert DeNiro who would eventually star in the film. I remember Mr. DeNiro's agent, Harry Ufland, calling the house when my father was not home. I spoke with Mr. Ufland and took the message. I remember my father was upset with me because I had not written down the area code and my father had to track it down.	Lacks foundation (Fed. R. Evid. §§ 601, 602); Lacks relevance (Fed. R. Evid. §§ 402, 403) Hearsay (Fed. R. Evid. § 802).	X	___	[Lack of relevance.]
Paragraph 10: I know my father made up some of the characters in the film – notably Tommy the Mafia boss, and that he had created composite characters as well such as Salvy, the Mafia henchman. Certain key scenes in the film showed Mr. LaMotta's brother, Joey, whom I have also known for most of my life, doing certain things that in real life my father did. For example, it was my father, not Joey, whom Mr. LaMotta in his paranoia beat up when he thought my father had slept with his then-wife Vicki. It was my father, not Joey, who confronted Vicki regarding her socializing with gangsters and then, to protect Jake's honor, beat up the man whom he thought was making advances to Vicki. My father also made up the Debonair Social club shown in the movie – it was not a real place.	Lacks foundation (Fed. R. Evid. §§ 601, 602); Lacks relevance (Fed. R. Evid. §§ 402, 403); Hearsay (Fed. R. Evid. § 802).	X	___	[Lack of foundation.]

Paragraph 12: The film Raging Bull was released in theaters in 1980. My father died unexpectedly in 1981 at the age of 61. I can say unequivocally that my father worked tirelessly to get this film made during the last 17 years of his life. After his death, I became the custodian and guardian of my father's business records, as my mother knew nothing of business. My father's contributions to the film are summarized in a letter from Robert De Niro and Martin Scorsese dated March 26, 1979 (my father used the name Peter Savage in connection with the film): "Robert DeNiro and I are writing this letter to confirm the vital importance of Peter Savage's position to our film, THE RAGING BULL. RAGING BULL represents the cumulative work of Mr. DeNiro, Mr. Savage and myself for the past five years. During that time, up to the present and for the duration of the production, Mr. Savage is essential to the film's success . . . Mr. Savage's screen credit will read, 'Produced in Association With Peter Savage' per his contract with Chartoff-Winkler. We feel said title is highly appropriate, given Mr. Savage's contribution to the film. His intimate knowledge of the subject cannot be duplicated, nor his familiarity with boxing rules and regulations. Further, his rapport with boxers and boxing officials is outstanding and essential to the continuing process of the production. In summation, we feel that Mr. Savage's presence, on a daily basis is not only necessary, but, in the final analysis, essential to the continued production of RAGING BULL. His absence could cause disastrous results on all levels of production.	Lacks foundation (Fed. R. Evid. §§ 601, 602); Lacks relevance (Fed. R. Evid. §§ 402, 403); Hearsay (Fed. R. Evid. § 802).	X [in part]	X [in part]	[Overruled as to sentences 1 through 4. Sustained as to remainder on hearsay and relevance.]

Therefore, we can only stress the crucial position of Peter Savage in relation to RAGING BULL. It should be noted that Mr. Savage is the co-author of the book, THE RAGING BULL, from which the screenplay is derived."				
Paragraph 15, Exs. 11, 12: After my father passed away I took custody of and organized all of his business records, which he sent and received in the normal course of business, which were kept at our house. They have been in my care and custody at all times since he died. Attached hereto are true and correct copies of the following documents which were contained *in* my father's files at the time of his death of which I have been the custodian since that date (those of which bear his signature I can attest to the fact the signatures are genuine): . J. Exhibit 11, letter dated February 10, 1964 from MGM to Peter Petrella. K. Exhibit 12, letter dated November 17, 1980 from Martin Heller (attorney for Jake La Motta and Peter Savage).	Lacks foundation (Fed. R. Evid. §§ 601, 602); Lacks relevance (Fed. R. Evid. §§ 402, 403); Hearsay (Fed. R. Evid. § 802) Exhibits 11 and 12 are inadmissible hearsay, and, Exhibit 12 in particular is plainly not a business record, as it purports to recount a meeting that supposedly took place 11 years prior to the creation of the hearsay document. Moreover, Plaintiffs failed to produce both documents in discovery, doing so only *after* Defendants had filed their Motion for Summary Judgment, in clear violation of Plaintiff's Rule 26 obligations. *See* Grossman Supp. Decl., Ex. T. Plaintiff testified at her deposition that she possessed a limited set of documents pertaining to the Literary Works and the Film, and now offers no explanation as to why these documents were not timely produced by Plaintiff. *Id.* Moreover, the parties never reached any stipulation as to the *admissibility* of these documents and, in fact, Defendants vehemently objected to the late production and the conspicuous nature of this document immediately after it was produced. *Id.*	X [in part]	X [in part]	[Overruled as to sentences 1 and 2. Sustained as to remainder.]
Paragraph 16: In 1990 I read a report about the *Abend (Rear Window)* Supreme Court decision and I remember wondering if it had any application to my father's work. His first *Raging Bull* screenplay was written in 1963 which meant the original 28-year copyright period would expire in 1991. I was not certain of	Lacks foundation (Fed. R. Evid. §§ 601, 602); Lacks relevance (Fed. R. Evid. §§ 402, 403); Hearsay (Fed. R. Evid. § 802); Plaintiff's assertion in paragraph 16 that "We did not make a claim prior to 1998 because my mother was not equipped emotionally or financially and she feared reprisals from MGM" should be stricken as it flatly contradicts	X [in part]	X [in part]	[Overruled as to sentences 1, 2, 3, 4 and 6. Remainder sustained for lack of foundation.]

my family's rights but hired an attorney who renewed in 1991 the copyright in the 1963 Screenplay in the name of my mother, brother and me in 1991. A true and correct copy of the renewal copyright is attached hereto as Exhibit 13. We did not make a claim prior to 1998 because my mother was not equipped emotionally or financially and she feared reprisals from MGM. The first participation statement I received from MGM was not until 1999 for the period ending September 30, 1998.	Plaintiff's sworn deposition testimony, wherein she states that the reason for her failure to make a claim at that point in time was her understanding that the Film was not yet profitable, and her ignorance of the requirement that a claim be made within a required time period. *See* Grossman Decl., Ex. C, pp. 29-30; 30-31.			
Paragraph 19: My family did not make a claim between 2000 and 2005 for the following reasons. First, my mother was very ill during much of that period and finally died in 2005. She was in no condition physically or emotionally to participate in a lawsuit, and I was busy managing her care. Second, we were fearful of what MGM would do if we filed a suit. MGM did not send me any further participation statements, for any period after March 2001, until 2008 when I hired another attorney and made a demand. At that point MGM sent my attorney a statement, attached hereto as Exhibit 28, showing that the deficit had been cut by approximately $7,000,000 since the last statement they had sent me in 2001. The last major event pertaining to Raging Bull as of 2008 was the release in January 2005 of the 25th anniversary DVD. In 2005, I was invited to attend, and attended, the gala 25th anniversary party for the film with my brother, my father's sister and a close family friend.	Lacks foundation (Fed. R. Evid. §§ 601, 602); Lacks relevance (Fed. R. Evid. §§ 402, 403); Hearsay (Fed. R. Evid. § 802). Plaintiff's assertion in paragraph 19 as to the reasons that Plaintiff's predecessors did not make a claim between 2000 and 2005 should be stricken as they flatly contradict Plaintiff's sworn deposition testimony. *See* Defendants' objection to paragraph 16, above; Grossman Decl., Ex. C, pp. 76:6-77:11.	X [in part]	X [in part]	[Overruled as to sentences 2 and 5 through 8. Sustained as to remainder. Lack of foundation.]
Paragraph 20: Since the filing of this suit, MGM has, as if [sic] feared, made statements and taken actions to threaten	Lacks foundation (Fed. R. Evid. §§ 601, 602); Lacks relevance (Fed. R. Evid. §§ 402, 403); Hearsay (Fed. R. Evid. § 802); Plaintiff's	X	___	[As stated in defendants' objections.]

me with financial ruin if I do not dismiss this case.	statement that should be stricken as the false, improper, willful mischaracterization of statements made (not by Defendants or their representatives) in the context of a confidential mediation, and Plaintiff's statement is asserted for the sole reason of attempting to prejudice Defendants.			
Paragraph 21: In reviewing the contract from 1976 which is attached as Exhibit 6, I notice a number of factual mistakes on the first page alone. For one thing, they misspelled my father's pseudonym: the correct spelling was "Clary," not "Cleary." Second, their statement that the 1963 and 1973 screenplays were written "under the *pseudonym of* Frank Peter Petrillo [sic]" is just wrong. That name is not on either of the screenplays or the book which he wrote. Further, while it may be correct in a sense to say that the 1973 screenplay was based on the book, to the extent it is suggested on the first page that both screenplays were based on the book is factually incorrect because I know the 1963 screenplay (registered in 1963) was written years before I observed my father writing the book which was copyrighted and published in 1970.	Lacks foundation (Fed. R. Evid. §§ 601, 602); Lacks relevance (Fed. R. Evid. §§ 402, 403); Hearsay (Fed. R. Evid. § 802); Improper speculation. There is no admissible evidence to support Plaintiff's claim that the Book is not original and is a derivative work. The 1976 Agreement provides numerous representations regarding (1) the originality of the Book; and (2) the fact that the 1963 Screenplay is based on the Book. On the very first page of that agreement, LaMotta and Petrella represent and agree that they are transferring motion picture rights in the jointly-authored Book, and also "in and to those certain screenplays based on the said work [the Book] which were written in 1963 and 1973 . . . " (emphasis added) *See* Petrella Decl., Ex. 6, p.1; Grossman Decl., Ex. A, p. 1. On page 18 of that same agreement, LaMotta and Petrella "represent and warrant that . . . The Published Work is original and has not been copied or adapted from any literary, dramatic or other work;." *Id.*, p. 18 (emphasis added). LaMotta and Petrella further represented and warranted, in a section entitled "Representations And Warranties" that "the Petrillo [sic] Screenplays [1963 and 1973] are original and have not been copied or adapted from any literary, dramatic or other work	X	___	[As stated in defendants' objections.]

	other than the Published Work [the Book]." *Id.*, p. 18 (emphasis added). The copyright registration for the 1970 Book states that it is an original work of authorship and does not state that it is based on any other registered work (as would have been required if it was based, as Plaintiff suggests, on an earlier screenplay). Grossman Decl., Ex. M. Plaintiff's testimony regarding what she believes she witnessed as a toddler is inherently unreliable. Further, her testimony, even if accepted, does not establish the date that the Book was created in relation to the Screenplay.			
Plaintiff's declaration mistakenly omits a paragraph 22.				
Paragraph 23: As I testified in my deposition, he was confused about who I was – he thought I was my mother whom I resemble. I did not say Mr. LaMotta was unable to testify he if were called to testify. I am not a doctor and am not qualified to say one way or another. I did not try to talk with him about the film or the written works which are at issue in this case.	Lacks foundation (Fed. R. Evid. §§ 601, 602); Lacks relevance (Fed. R. Evid. §§ 402, 403); Hearsay (Fed. R. Evid. § 802). Plaintiff's assertions concerning Jake LaMotta's mental state in a 2005 encounter with Plaintiff are flatly contradicted by Plaintiff's sworn deposition testimony in which she stated that she did not believe that Mr. LaMotta was of sound mind. In her deposition, she testified that LaMotta, even though he has known her for over forty years, no longer recognizes her (as of 2005 when he was 84). "Q: Do you know whether or not he is – he still has his faculties about him? A: I don't think so. . . . Q: Did he in 2006, when you spoke to him? A: When I saw him in 2005, he couldn't quite understand who I was, even though he saw me grow up." *See* Grossman Decl., Ex. C, pp.84:23-85:5.	X	___	[Deposition testimony speaks for itself.]

Paragraph 24: Two of the films my father worked on were Cauliflower Cupids and A House in Naples. He directed, produced, and acted in both films and in the case of the former movie he was also the writer. Both films were made in the late 1960's and were released theatrically around 1970. Jake LaMotta was an actor in both films.	Lacks foundation (Fed. R. Evid. §§ 601, 602); Lacks relevance (Fed. R. Evid. §§ 402, 403); Hearsay (Fed. R. Evid. § 802); Improper speculation.	X	___	[Relevance]
General Objections to the Declaration of Eric Sherman				
The Declaration of Eric Sherman in its entirety	Lacks foundation and personal knowledge (Fed. R. Evid. §§ 601, 602). Despite Sherman's assertion that he possesses "personal knowledge" of the facts contained in his declaration, he proceeds to opine on matters of which he cannot conceivably possess personal knowledge, such as ***Defendants' own regard for strategy regarding the Film.*** Sherman provides no foundation for his myriad conclusions regarding both the Film and the applicability of industry phenomena generally to this particular Film specifically. With no basis or knowledge of the future revenues for the Film, and, in fact, ignoring the millions the Film has generated in revenues in the last several years, Sherman concludes that the Film has no appreciable value and will not generate any additional revenue.	X [in part]	X [in part]	[Much of Sherman's Declaration lacks foundation and is irrelevant.]
Objections to Specific Evidence Offered by Eric Sherman				
Paragraph 2: I have personal knowledge of the facts set forth in this declaration and, if called as a witness, could and would testify competently to each such fact. In preparing my testimony I have reviewed the documents produced in this lawsuit by MGM which are attached hereto as Exhibits 1 and 2 as well as the profit participation	Lacks foundation and personal knowledge (Fed. R. Evid. §§ 601, 602). Although Sherman claims to have reviewed the Slizewski declaration, he repeatedly cites to purported facts that were not testified to by Slizewski, including purported facts regarding the alleged number of units sold of the Film in various formats.	X [in part]	X [in part]	[It is unclear what "personal knowledge of the facts" Sherman has.]

statements which are attached to the Petrella Declaration as Exhibits 11 and 22 through 27, and I have reviewed portions of the deposition of Edward Slizewski.				
Paragraph 3: However, assuming the profit participation statements I have seen that were generated by MGM and its predecessors, along with the news reports I have read, are accurate, the film was a financial failure. The film was produced during the period 1979-80 for somewhere between $15,200,000 and $18,000,000 (depending upon what data source is utilized) and 29 years later still shows a deficit, according to MGM, of approximately $2.5 million, in spite of theatrical re-releases and at least 17 different DVD releases, both as a stand-alone title and as a part of various "packages."	Lacks foundation and personal knowledge (Fed. R. Evid. §§ 601, 602); Hearsay (Fed. R. Evid. § 802); Improper conclusion (Fed. R. Evid. § 704); Lacks relevance (Fed. R. Evid. §§ 402, 403).	X [in part]	X [in part]	[Profit participation documents speak for themselves.]
Paragraph 4: In contrast, *Raging Bull* is a stand-alone film, nearly 30 years old, that generated most of its theatrical box office receipts in the 1980s. Unlike these other [franchise] films, there was and is no significant merchandising value to *Raging Bull*. For example, there is no market for *Raging Bull* figurines, t-shirts, coloring books, video games or toothbrushes. There is no realistic prospect that *Raging Bull* will be turned into a television series or a series of internet webisodes. After its initial release, an additional source of revenue for a film like *Raging Bull* would be in its occasional licensing for television, cable or syndication broadcasts. By far the greatest anticipated revenue would come from home entertainment distribution.	Irrelevant (Fed. R. Evid. §§ 402, 403) (whether or not *Raging Bull* is a "franchise" is irrelevant to both the claims at issue and the specific subject matter to which Mr. Sherman's testimony is addressed); Lacks foundation and personal knowledge (Fed. R. Evid. §§ 601, 602) (Mr. Sherman provides neither the requisite personal knowledge nor proper foundation for the various conclusions he makes regarding the Film: "[*Raging Bull*] generated most of its theatrical box office receipts in the 1980s"; "By far the greatest anticipated revenue would come from home entertainment distribution"	X [in part]	X [in part]	[Overruled as to whether "Raging Bull" is a "franchise." Sustained as to remainder – without foundation.]

Paragraph 5: A successful DVD release can generate sales of millions of units within the course of the first few months. Successful or not, for all but the most unusual cases, the large majority of the revenue from the release of a DVD or other home entertainment format is normally earned within the first six months after the release. After 12 months there is usually only a trickling of additional sales for all but the most financially successful films.	Lacks relevance (Fed. R. Evid. §§ 402, 403) (Mr. Sherman's testimony concerning the release of films on DVD, generally, and the conclusions drawn therefrom, have no relevance to the specific facts at issue); Lacks foundation and personal knowledge (Fed. R. Evid. §§ 601, 602) (Mr. Sherman provides neither the requisite personal knowledge nor proper foundation for his various assertions regarding revenue streams generated by films, e.g. ""Successful or not, for all but the most unusual cases, the large majority of the revenue from the release of a DVD or other home entertainment format is normally earned within the first six months after the release. After 12 months there is usually only a trickling of additional sales for all by [sic] the most financially successful films.")	X	___	[On basis stated by Defendants.]
Paragraph 6: . . . according to Mr. Slizewski, a mere 3,000 units of the anniversary DVD were sold, which is a *de minimus* number. Likewise, according to Mr. Slizewski, only 4,000 units of the Blu-Ray of Raging Bull have been sold since the release in February 2009. Again, that is a trifling number of units to sell seven months after its release.	Lacks foundation and personal knowledge (Fed. R. Evid. §§ 601, 602); Hearsay (Fed. R. Evid. § 802); Improper conclusion (Fed. R. Evid. § 704). Mr. Sherman misstates the testimony of Edward Slizewski, who made no representations as to the number of units sold of either the 25th Anniversary DVD edition of the Film, or the Blu-Ray edition of the Film. In fact, Mr. Sherman appears to be alluding, albeit inaccurately, to testimony given by Fox corporate designee Chris Franchino as to the number of units sold of the Blue-Ray [sic] version of the Film, but neither Mr. Franchino nor Mr. Slizewski make any assertions concerning the number of units sold of the 25th Anniversary DVD. Moreover, Mr. Franchino testified that 800,000 units of the *Raging Bull* DVD have been sold since its release in that format in 2000 (*see* Grossman Suppl.	X	___	[Lack of foundation.]

	Decl., Ex. V); Mr. Sherman provides no basis for his conclusion that either number he asserts represents a "*de minimus*" or "trifling number of units."			
Paragraph 7: In sum, by reading Mr. Slizewski's testimony and the attached documents, it is my opinion that MGM considers it has, over the past 29 years, squeezed out of *Raging Bull* nearly all the modest revenue this film would ever be expected to generate. Future revenue is expected to be trivial unless and until a new home entertainment format is developed (such as laser discs gave way to VHS which gave way to DVD). However, even when the next format is created, MGM would have to spend money to create a version of that film in the new format and a new marketing campaign to promote and distribute the film in that format. Even the future television licensing deals MGM has in place (Exhibit 2) are so *de minimus* as to be a mere afterthought.	Hearsay (Fed. R. Evid. § 802); Lacks foundation and personal knowledge (Fed. R. Evid. §§ 601, 602); Improper conclusion (Fed. R. Evid. § 704); Speculation; Argumentative. Mr. Sherman provides no basis for his conclusion that "MGM considers it has . . . squeezed out of *Raging Bull* nearly all the modest revenue this film would ever be expected to generate. Future revenue is expected to be trivial . . . " – and any such conclusion is obviously nothing more than uninformed speculation. Mr. Sherman provides no basis for his conclusory assertion that Defendants' future licensing deals reflected in Exhibit 2 to Mr. Sherman's declaration, which extend to July 2015, are "so *de minimus* as to be a mere afterthought." Indeed, there are no amounts included on the exhibit attached to Mr. Sherman's Ex.2, which details various licensing agreements to allow the film to be displayed on television networks.	X	___	[Opinion based on misinterpretation of hearsay evidence and is without foundation.]
Paragraph 8: I have been asked to offer an opinion on whether MGM has been prejudiced by the fact this suit was not filed a decade ago or longer. To the contrary, I believe that MGM has been blessed by the fact the suit was not filed sooner. According to MGM's statements sent to Ms. Petrella, the film, made for approximately $15,200,000 in 1980, was still showing a $10,299,366.06 deficit in 1998. As of September 30, 2007, however, the deficit was down to $3,738,683.	Hearsay (Fed. R. Evid. § 802); Lacks foundation and personal knowledge (Fed. R. Evid. §§ 601, 602); Improper conclusion (Fed. R. Evid. § 704); Argumentative. Mr. Sherman provides no basis for his conclusion that "MGM has been blessed by the fact the suit was not filed earlier." Moreover, Mr. Sherman's testimony that the release of the DVD and 25th Anniversary DVD "generated considerable net revenue" is internally inconsistent with his	X	___	[Opinion lacks foundation and contains conclusions obviously incorrect on their face (e.g. "I believe that MGM has been blessed by the fact that the suit was not filed sooner.

While MGM did not send Ms. Petrella any statements between 2001 and 2007, the only significant events which occurred during that period were the release of the DVD in 2000, and, to a much lesser extent the release of the 25th anniversary DVD in January 2005. Those events generated considerable net revenue (i.e., according to the figures above, approximately $6.5 million net to MGM between 2000 and the end of 2005) which it never would have earned had Ms. Petrella filed her suit in the 1990s.	testimony in paragraph 6, *supra*. Further, Mr. Sherman's conclusion regarding "prejudice" is an improper and unsupported legal conclusion. Mr. Sherman also does not analyze whether or not the millions of dollars spent on exploitation of the Film, or the work involved by Defendants to market and convert the Film to various formats, will be undone by Plaintiff should she prevail and receive her requested seven figure damages award.			
Paragraph 9: If Ms. Petrella had, hypothetically, filed her suit in or before 1998, one of two things would have happened. Either she would have won and MGM would not have received any of the revenue described above in paragraph 8 which would have meant a $10,299,366.06 deficit rather than a $3,738,683 deficit (which today according to MGM is down to $2,538,969); or she would have lost and MGM would have done precisely what it has done over the past decade and would be in precisely the same position as it is today. In view of these circumstances, it is my opinion that MGM suffered no financial or economic prejudice by the fact this suit was filed in 2009 rather than 1998 or earlier, and, in fact, MGM is quite fortunate it was only filed this year because the passage of time enabled MGM to recoup a great deal of the loss shown on its books.	Hearsay (Fed. R. Evid. § 802); Lacks foundation and personal knowledge (Fed. R. Evid. §§ 601, 602); Improper conclusion (Fed. R. Evid. § 704); Argumentative; Lacks relevance (Fed. R. Evid. §§ 402, 403); Improper hypothetical. Mr. Sherman's conclusion is wildly speculative, and is based on no facts or evidence whatsoever. Mr. Sherman is not a lawyer and has no idea what the potential results of a timely-filed lawsuit would have been. Further, Mr. Sherman has no understanding, and does not claim to have one, regarding the legal claims and defenses that would have been asserted in 1991, if the suit was timely filed. A "victory" in a lawsuit filed two decades ago would not have meant that Plaintiff was given ownership of the Film – no such right is even conferred by copyright law. Sherman's testimony is shamelessly uninformed and argumentative.	X	—	[For same reasons as paragraph no. 8 above (e.g. "if Ms. Petrella had . . . filed her suit in 1998, one of two things would have happened." Actually, there are more than two things that might have happened (e.g. the matter could have been settled without any declared winner or loser). Also, if the suit had been filed in 1998, there would have been evidence available to resolve the issues as opposed to the present time where the key figures are dead or whose testimony is unavailable.]

Objections to Specific Evidence Offered By Glen Kulik				
Paragraph 4: Counsel for the plaintiff and defendants orally agreed that given the age of the documents that were produced by both sides and the fact [sic] the genuineness of those documents is not in dispute, that both sides could submit the documents produced in the case and there would be no objections to their foundation and authentication.	Lacks foundation (Fed. R. Evid. §§ 601, 602); Lacks relevance (Fed. R. Evid. §§ 402, 403); Hearsay (Fed. R. Evid. § 802); Mischaracterizes evidence. Kulik misrepresents the substance of the parties' counsels' discussions regarding the proposed stipulation. The deposition testimony referenced by Mr. Kulik does not support his statement and merely provides that the parties would endeavor to complete a written stipulation. Mr. Kulik's declaration is particularly egregious in that he does not include the unequivocal statements made by Defendants' counsel regarding the fact that the document at issue is not admissible, is not authentic and that the parties never reached any stipulation regarding authenticity because Mr. Kulik's office never provided comments or revisions to the proposed stipulation submitted, at his request. Further, although Plaintiff's counsel promised to provide comments and revisions to the proposed stipulation, they never did so. It is clear that there is no stipulation governing the authenticity or admissibility of the documents produced by Mr. Kulik's office a few days before Plaintiff attempted to use them in the Opposition.	X	___	[Lack of foundation.]
General Objections to the Declaration of Dr. Lew Hunter				
The Declaration of Dr. Lew Hunter in its entirety.	Plaintiff failed to disclose Hunter's analysis in Plaintiff's sworn, verified Amended Responses to Special Interrogatories Nos. 1-4, 6 and 7, which were addressed to the very comparison analysis Hunter endeavors to set forth in his declaration. "***A party answering interrogatories has an affirmative duty to furnish any and all information available to***	X	___	

	the party. Moore's Federal Practice § 33.102[1] (3rd Ed. 2009) (emphasis added). The interrogatories at issue were specific, direct and called for the very information withheld by Plaintiff – which she now seeks to submit in her Opposition. The interrogatories asked that Plaintiff "Describe in detail all alleged similarities between the 1963 Screenplay and the Film." (*See* Grossman Decl., Ex. H, p.3). Mr. Hunter has been known to Plaintiff for many months and performed his analysis at the inception of this case. In fact, at her deposition in July, 2009, nearly three months ago, Plaintiff explained that she had conducted a comparison of the Film and the Literary Works (prior to her deposition, however, Plaintiff did not produce her written analysis). Plaintiff was also asked about anyone else that had performed an analysis of the Literary Works – in response, Plaintiff identified "Lew Hunter" as having undertaken a comparison analysis between the Film and the Literary Works (Grossman Supp. Decl., Ex. U, pp. 39:14-40:21). Plaintiff's counsel instructed Plaintiff not to answer any questions on the subject of Mr. Hunter and his analysis – and yet Plaintiff now attempts to use Mr. Hunter's analysis affirmatively, even after refusing to disclose any information about Hunter, or his analysis: (a) in her deposition; and (b) in response to verified responses to interrogatories. There is no defense or excuse for Plaintiff's conduct. The fact is that Mr. Hunter performed an analysis for Plaintiff well before her service of the interrogatory responses attached to the Motion. Even were Plaintiff to			

	argue that this analysis was not complete at that time, the analysis was clearly created and completed well in advance of the filing of the summary judgment motion (and prior to Plaintiff's testimony in her July 2008 deposition) and yet Plaintiff failed to supplement her discovery responses as per her Rule 26 obligations.			
The Declaration of Dr. Lew Hunter in its entirety.	Lacks foundation and personal knowledge (Fed. R. Evid. §§ 601, 602); Lacks relevance (Fed. R. Evid. §§ 402, 403). Mr. Hunter's substantial similarity analysis, in which he purports to compare the entire 1963 Screenplay and the Film, does nothing to advance Plaintiff's infringement claim. The relevant inquiry, as Defendants set forth in their Motion, is whether there exist protectable elements in the 1963 Screenplay and the Film that *do not* appear in the 1973 Screenplay or the Book. Hunter has improperly assumed that Defendants do not have the rights to use LaMotta's published autobiography (the "Book") or the 1973 Screenplay based on that autobiography. Due to this improper foundation, Hunter has conducted a useless comparison between entire 1963 Screenplay and the Film – and has not excluded the elements from this analysis that are included in the Book or the 1973 Screenplay. For this reason, Hunter's entire declaration is ineffective, irrelevant and must be disregarded.	X [in part]	X [in part]	[Large portions of Hunter's declaration contains irrelevant material. As correctly noted by Defendants, the relevant inquiry concerns the protectable elements of the 1963 screenplay and the Film; not merely the similarities. Further, Hunter fails to consider the contributions of Jake LaMotta who, according to the title of the 1963 screenplay, collaborated with Petrella in its creation.]

* * *

	original work based on Jake LaMotta's life; Hunter's unfounded conclusion also improperly assumes that the 1963 Screenplay was drafted before the Book. *See* Defendants' Objections to paragraph 14(1-7), above.			

Dated: February 1, 2010

LOEB & LOEB LLP
JONATHAN ZAVIN
DAVID GROSSMAN
ROBERT J. CATALANO

By: David A Grossman/RC
David Grossman
Attorney for Defendants

[February 4, 2010]

George H. Wu
U.S. District Court Judge]

PETITIONER'S BRIEF

RECORD
AND
BRIEFS

No. 12-1315

Supreme Court, U.S.
FILED
NOV 15 2013
OFFICE OF THE CLERK

In The

Supreme Court of the United States

PAULA PETRELLA,

Petitioner,

v.

METRO-GOLDWYN-MAYER, INC., et al.,

Respondents.

On Writ Of Certiorari To The United States Court Of Appeals For The Ninth Circuit

BRIEF FOR PETITIONER

GLEN L. KULIK
KULIK GOTTESMAN & SIEGEL LLP
15303 Ventura Boulevard
Suite 1400
Sherman Oaks, CA 91403
(310) 557-9200

STEPHANOS BIBAS
Counsel of Record
JAMES A. FELDMAN
NANCY BREGSTEIN GORDON
UNIVERSITY OF PENNSYLVANIA LAW SCHOOL
SUPREME COURT CLINIC
3501 Sansom Street
Philadelphia, PA 19104
(215) 746-2297
sbibas@law.upenn.edu

COCKLE LEGAL BRIEFS (800) 225-6964
WWW.COCKLELEGALBRIEFS.COM

Library of Congress
Law Library

QUESTION PRESENTED

Whether the nonstatutory defense of laches is available without restriction to bar all remedies for civil copyright claims filed within the three-year statute of limitations prescribed by Congress, 17 U.S.C. § 507(b).

PARTIES TO THE PROCEEDING

Petitioner is Paula Petrella. Petitioner was plaintiff-appellant below.

Respondents are Metro-Goldwyn-Mayer, Inc.; Metro-Goldwyn-Mayer Studios, Inc.; Metro-Goldwyn-Mayer Home Entertainment, LLC; Metro-Goldwyn-Mayer Home Entertainment Distribution Corp.; United Artists Corp.; and 20th Century Fox Home Entertainment, LLC. All respondents were defendants-appellees below.

TABLE OF CONTENTS

	Page
Question Presented	i
Parties to the Proceeding	ii
Table of Contents	iii
Table of Authorities	v
Opinions Below	1
Jurisdiction	1
Constitutional and Statutory Provisions Involved	2
Statement of the Case	2
Summary of Argument	14
Argument	18
I. Because Congress Has Prescribed the Time Allowed for Bringing Copyright Infringement Suits, Courts May Not Impose Additional Timeliness Doctrines Such as Laches	18
A. Under the Text of the Copyright Act's Three-Year Statute of Limitations, Petitioner's Suit Was Timely	18
B. The Separation of Powers Prevents Judges from Constricting Congress's Express Three-Year Statute of Limitations	24
C. The Statutory Context of the Copyright Act Confirms that Laches May Not Bar Claims Brought Within the Statute of Limitations	30

TABLE OF CONTENTS – Continued

Page

D. The Legislative History Confirms That Laches Cannot Constrict the Copyright Act's Express Statute of Limitations 33

II. Laches Cannot Bar Either Injunctive Relief or Damages for Copyright Infringement 37

A. Laches Does Not Bar Injunctive Relief.... 38

B. Laches Does Not Bar Relief at Law..... 47

III. Precluding the Defense of Laches Would Have Salutary Consequences 51

A. Laches Is Unnecessary to Guard Against Evidentiary Prejudice 52

B. Laches Risks Breeding Excessive, Costly Litigation and Copyright Trolls 56

C. Equitable Estoppel Is Available to Protect Against Financial Prejudice..... 60

Conclusion..... 63

TABLE OF AUTHORITIES

Page

CASES

A.C. Aukerman Co. v. *R.L. Chaides Constr. Co.*, 960 F.2d 1020 (Fed. Cir. 1992).....31, 39

Abraham v. *Ordway*, 158 U.S. 416 (1895).....50

Am. Pipe & Constr. Co. v. *Utah*, 414 U.S. 538 (1974).....32

Amoco Prod. Co. v. *S. Ute Indian Tribe*, 526 U.S. 865 (1999).....32

Arnstein v. *Porter*, 154 F.2d 464 (2d Cir. 1946).....54

Ashley v. *Boyle's Famous Corned Beef Co.*, 66 F.3d 164 (8th Cir. 1995).....28, 29

Bailey v. *Glover*, 88 U.S. (21 Wall.) 342 (1875).....32

Baisden v. *I'm Ready Prods., Inc.*, 693 F.3d 491 (5th Cir. 2012).....44

Bay Area Laundry & Dry Cleaning Pension Trust Fund v. *Ferbar Corp.*, 522 U.S. 192 (1997).....19, 20

Borer v. *Chapman*, 119 U.S. 587 (1887).....19

Bouchat v. *Balt. Ravens Ltd. P'ship*, 619 F.3d 301 (4th Cir. 2010).....22

Cablevision Sys. Dev. Co. v. *Motion Picture Ass'n of Am.*, 836 F.2d 599 (D.C. Cir. 1988).....43

Clark v. *Iowa City*, 87 U.S. (20 Wall.) 583 (1874).....19

Cmty. for Creative Non-Violence v. *Reid*, 490 U.S. 730 (1989).....58

TABLE OF AUTHORITIES – Continued

Page

Cont'l Paper Bag Co. v. *E. Paper Bag Co.*, 210 U.S. 405 (1908) 41

Cnty. of Oneida v. *Oneida Indian Nation*, 470 U.S. 226 (1985) 50

Crown Coat Front Co. v. *United States*, 386 U.S. 503 (1967) 21, 22

Dairy Queen, Inc. v. *Wood*, 369 U.S. 469 (1962) 50

Danjaq LLC v. *Sony Corp.*, 263 F.3d 942 (9th Cir. 2001) 61

De Sylva v. *Ballentine*, 351 U.S. 570 (1956) 52

Dickerson v. *Colgrove*, 100 U.S. (10 Otto) 578 (1879) 60

Durham Indus., Inc. v. *Tomy Corp.*, 630 F.2d 905 (2d Cir. 1980) 54, 55

eBay Inc., v. *MercExchange, L.L.C.*, 547 U.S. 388 (2006) 16, 40, 41

Effects Assocs., Inc. v. *Cohen*, 908 F.2d 555 (9th Cir. 1990) 44

Eldred v. *Ashcroft*, 537 U.S. 186 (2003) ..... *passim*

Exploration Co. v. *United States*, 247 U.S. 435 (1918) 33

F.W. Woolworth Co. v. *Contemporary Arts, Inc.*, 344 U.S. 228 (1952) 48

Feltner v. *Columbia Pictures Television, Inc.*, 523 U.S. 340 (1998) 49

TABLE OF AUTHORITIES – Continued

Page

Festo Corp. v. *Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722 (2002) 58

Fogerty v. *Fantasy, Inc.*, 510 U.S. 517 (1994) 58

Fox Film Corp. v. *Doyal*, 286 U. S. 123 (1932).....38

Gabelli v. *SEC*, 133 S. Ct. 1216 (2013) 21

Golan v. *Holder*, 132 S. Ct. 873 (2012).....59

Graham Cnty. Soil & Water Conservation Dist. v. *United States ex rel. Wilson*, 545 U.S. 409 (2005).....21

Haas v. *Leo Feist, Inc.*, 234 F. 105 (S.D.N.Y. 1916).....61, 62

Hampton v. *Paramount Pictures Corp.*, 279 F.2d 100 (9th Cir. 1960) 60

Herrera v. *Collins*, 506 U.S. 390 (1993) 56

Holmberg v. *Armbrecht*, 327 U.S. 392 (1946) ....*passim*

Holt v. *Menendez*, 23 F. 869 (C.C.S.D.N.Y. 1885), *aff'd*, 128 U.S. 514 (1888) 39

Irwin v. *Dep't of Veterans Affairs*, 498 U.S. 89 (1990).....32

Klehr v. *A.O. Smith Corp.*, 521 U.S. 179 (1997).....20, 22, 23

L.A. Westermann Co. v. *Dispatch Printing Co.*, 249 U.S. 100 (1919).....48

Lyons P'ship, L.P. v. *Morris Costumes, Inc.*, 243 F.3d 789 (4th Cir. 2001) 29, 30, 31

Marvel Characters, Inc. v. *Simon*, 310 F.3d 280 (2d Cir. 2002).....60

TABLE OF AUTHORITIES – Continued

Page

Marx v. *Gen. Revenue Corp.*, 133 S. Ct. 1166 (2013) 32

Mazer v. *Stein*, 347 U.S. 201 (1954) 27

McLean v. *Fleming*, 96 U.S. 245 (1877) 15, 39

McQuiggin v. *Perkins*, 133 S. Ct. 1924 (2013) 56

Menendez v. *Holt*, 128 U.S. 514 (1888) 15, 38, 39, 44

Peter F. Gaito Architecture, LLC v. *Simone Dev. Corp.*, 602 F.3d 57 (2d Cir. 2010) 54, 55

Reiter v. *Cooper*, 507 U.S. 258 (1993) 19

Roger Miller Music, Inc. v. *Sony/ATV Publ'g, LLC*, 477 F.3d 383 (6th Cir. 2007) 22

Rogers v. *Koons*, 960 F.2d 301 (2d Cir. 1992) 48

Rowe v. *Hussman Corp.*, 381 F.3d 775 (8th Cir. 2004) 28

Russell v. *Todd*, 309 U.S. 280 (1940) ..... *passim*

Schlup v. *Delo*, 513 U.S. 298 (1995) 56

Sheldon v. *Metro-Goldwyn Pictures Corp.*, 309 U.S. 390 (1940) 48

Sid & Marty Krofft Television Prods., Inc. v. *McDonald's Corp.*, 562 F.2d 1157 (9th Cir. 1977) 50, 54

Sony Corp. of Am. v. *Universal City Studios, Inc.*, 464 U.S. 417 (1984) 25, 26

Stainback v. *Mo Hock Ke Lok Po*, 336 U.S. 368 (1949) 49

TABLE OF AUTHORITIES – Continued

Page

State Farm Mut. Auto. Ins. Co. v. *Ammann*, 828 F.2d 4 (9th Cir. 1987) 20

Stewart v. *Abend*, 495 U.S. 207 (1990).....*passim*

Stone v. *Williams*, 970 F.2d 1043 (2d Cir. 1992) 22

Tenn. Valley Auth. v. *Hill*, 437 U.S. 153 (1978) 25

Thompson v. *Hubbard*, 131 U.S. 123 (1889).....26

TRW Inc. v. *Andrews*, 534 U.S. 19 (2001) 21

Twentieth Century Music Corp. v. *Aiken*, 422 U.S. 151 (1975).....26

United States v. *Atl. Mut. Ins. Co.*, 298 U.S. 483 (1936).....20, 22

United States v. *Mack*, 295 U.S. 480 (1935) ...14, 28, 29, 32

United States v. *Wurts*, 303 U.S. 414 (1938).....19

Wallace v. *Kato*, 549 U.S. 384 (2007).....19

Washingtonian Publ'g Co. v. *Pearson*, 306 U.S. 30 (1939).....27

Wehrman v. *Conklin*, 155 U.S. 314 (1894).....50, 60

Wheaton v. *Peters*, 33 U.S. (8 Pet.) 591 (1834).....26

William A. Graham Co. v. *Haughey*, 568 F.3d 425 (3d Cir. 2009).....22

WPIX, Inc. v. *ivi, Inc.*, 691 F.3d 275 (2d Cir. 2012), *cert. denied*, 133 S. Ct. 1585 (2013).....43

Young v. *United States*, 535 U.S. 43 (2002) 32

Zenith Radio Corp. v. *Hazeltine Research, Inc.*, 401 U.S. 321 (1971).....20

TABLE OF AUTHORITIES – Continued

Page

CONSTITUTIONAL PROVISION

U.S. CONST. art. I, § 8, cl. 8 ..... 2, 25

STATUTES

2 U.S.C. § 2401(a) 22

28 U.S.C. § 1254(1) 1

28 U.S.C. § 2462 21

Act of Sept. 7, 1957, Pub. L. No. 85-313, 71 Stat. 633 (codified at 17 U.S.C. § 507(b)) 34

Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541 ..... *passim*

17 U.S.C. § 107 59

17 U.S.C. § 111(d)(1) 43

17 U.S.C. § 114(e)(1) 43

17 U.S.C. § 115(c) 43

17 U.S.C. § 118(b) 44

17 U.S.C. § 119(b)(1)(B) 44

17 U.S.C. § 122(c) 44

17 U.S.C. § 302 43

17 U.S.C. § 405(b) 44

17 U.S.C. § 408(b) 55

17 U.S.C. § 411(a) 55

17 U.S.C. § 502(a) 39, 40

17 U.S.C. § 504 ..... 47, 49

TABLE OF AUTHORITIES – Continued

Page

17 U.S.C. § 504(b) 47, 48

17 U.S.C. § 504(c)(1) 48

17 U.S.C. § 504(c)(2) 48, 49

17 U.S.C. § 507(b) .....*passim*

Lanham Trademark Act of 1946, 15 U.S.C. §§ 1051-1141 .....15, 18

15 U.S.C. § 1115(b)(9) 31

Patent Act of 1952, ch. 950, 66 Stat. 792 .....15, 18

35 U.S.C. § 282(b)(1) 31

35 U.S.C. § 283 40

OTHER AUTHORITIES

Shyamkrishna Balganesh, *The Uneasy Case Against Copyright Trolls*, 86 S. CAL. L. REV. 723 (2013) 58

Br. of the United States as Amicus Curiae, *Merck & Co.* v. *Reynolds*, 559 U.S. 633 (2010) (No. 08-905) 28

Citizen Kane Stands the Test of Time, AM. FILM INST., http://www.afi.com/100years/movies10.aspx 5

30A C.J.S. EQUITY § 138 (2d ed. 2007) 29

Copyrights – Statute of Limitations: Hearings on H.R. 781 Before the Subcomm. No. 3 of the H. Comm. on the Judiciary, 84th Cong. 48 (1955) 23, 34, 35, 36

TABLE OF AUTHORITIES – Continued

Page

1 DAN B. DOBBS, LAW OF REMEDIES: DAMAGES – EQUITY – RESTITUTION § 2.3(5) (2d ed. 1993) 60

P.J. Federico, *Commentary on the New Patent Act*, 35 U.S.C.A. 1 (1954), *reprinted in* 75 J. PAT. & TRADEMARK OFF. SOC'Y 161 (1993) 31

H.R. REP. NO. 84-2419 (1956).....35, 36

H.R. REP. NO. 94-1476 (1976).....58

1-12 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 12.05[B][1][b] (2013).....22

3-10 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT (2013)

§ 10.01[C][5] 44

§ 10.02[B][5] 44

4-13 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHt (2013)

§ 13.02.....54

§ 13.03.....54

§ 13.03[A].....8

§ 13.06.....62

§ 13.07[A].....60, 61

§ 13.09[B].....62

5-14 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 14.03[C][1]-[3] (2013) 47

TABLE OF AUTHORITIES – Continued

Page

ROBERT C. OSTERBERG & ERIC C. OSTERBERG, SUBSTANTIAL SIMILARITY IN COPYRIGHT LAW (2003) 55

6 WILLIAM F. PATRY, PATRY ON COPYRIGHT (2013)

§ 5:155 62

§ 17:127 62

§ 20:23 ..... 22, 23

§ 20:55 30

§ 20:58 ..... 60, 61

§ 22:149 50

S. REP. NO. 85-1014 (1957) 34, 35, 36, 37

Tim Wu, *Tolerated Use*, 31 COLUM. J.L. & ARTS 617 (2008) 57

BRIEF FOR PETITIONER

Petitioner Paula Petrella respectfully asks this Court to reverse the decision of the U.S. Court of Appeals for the Ninth Circuit.

OPINIONS BELOW

The Ninth Circuit's panel opinion is reported at 695 F.3d 946 and reprinted at Pet. App. 1a-27a. The opinion of the U.S. District Court for the Central District of California is unreported but reprinted at Pet. App. 28a-48a. The Ninth Circuit's order denying rehearing en banc is unreported but reprinted at Pet. App. 49a-50a.

JURISDICTION

The court of appeals entered judgment on August 29, 2012, and denied a timely petition for rehearing en banc on January 30, 2013. The petition for a writ of certiorari was filed on April 30, 2013 and granted on October 1, 2013. This Court has jurisdiction under 28 U.S.C. § 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

The U.S. Constitution's Copyright and Patent Clause, art. I, § 8, cl. 8, provides, in relevant part:

> The Congress shall have Power . . .
>
> . . .
>
> To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries;
>
> . . . .

17 U.S.C. § 507(b) provides:

> **Civil Actions.** – No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued.

STATEMENT OF THE CASE

In 1991, petitioner Paula Petrella renewed the copyright in her late father's screenplay, "The Raging Bull," which was the basis for the critically acclaimed film *Raging Bull*. Respondents continued to market the film, so, after intermittent correspondence between the two sides' lawyers, Ms. Petrella sued in 2009 for copyright infringement occurring during the previous three years. The Copyright Act's statute of limitations bars suits unless they are "commenced

within three years after the claim accrued." 17 U.S.C. § 507(b). The district court granted summary judgment for respondents. Although there was no question that her suit was timely under the statute of limitations, the court held that the nonstatutory defense of laches barred Ms. Petrella's suit entirely. The Ninth Circuit affirmed and denied rehearing en banc. The question presented is whether laches is available to bar entirely a copyright infringement suit that is timely under the three-year statute of limitations.

1.a. Frank "Peter" Petrella, petitioner's father, wrote three literary works based on the life of his longtime friend, boxing champion Jake LaMotta. After Mr. LaMotta had retired from the ring, Mr. Petrella wrote a screenplay (the 1963 Screenplay) entitled "The Raging Bull (Jake LaMotta)" or "The Ice Pick and the Glove." Joint Appendix (JA) 164. He registered the screenplay with the U.S. Copyright Office in 1963. The copyright registration certificate lists Mr. Petrella as both claimant and sole author. JA 195-98.

In 1969, Messrs. LaMotta and Petrella (under the pen name Peter Savage) sought advice from lawyer Martin Heller on how to shop to movie studios the "screenplay which Pete Savage had written based on Jake [LaMotta]'s life." JA 255. As Mr. Heller later recounted in a letter, he "suggested the possibility of turning the screenplay into a novel" as a way to interest studios in making it into a movie. *Id.* Mr.

Heller then "made a publishing deal with Prentice-Hall." JA 255-56.

Thus, Mr. Petrella coauthored the book, *Raging Bull: My Story* (the Book), under the pen name Peter Savage. JA 165. The copyright registration certificate lists Mr. LaMotta as the claimant and Messrs. "Savage," LaMotta, and Joseph Carter as authors. JA 200-01. It was published by Prentice-Hall, Inc. and registered with the Copyright Office in 1970. JA 165-66, 201-06.

The third literary work authored by Mr. Petrella was another screenplay, also called "The Raging Bull," which he registered with the Copyright Office in 1973 (the 1973 Screenplay). JA 193, 207-09. The registration certificate lists Mr. Petrella, under the pen name Emmett Clary, as the sole author and 1970 as the date of publication. JA 207-09. It also notes that the work is a "screenplay form of the book of the same name." JA 207; *see also* JA 193 (title page of the 1973 Screenplay notes that it is "based on the book, 'The Raging Bull,' the story of Jake LaMotta published by Prentice-Hall, Inc.").

b. In 1976, Messrs. Petrella and LaMotta assigned all of their copyrights in the Book and both screenplays to Chartoff-Winkler Productions. JA 48-82; Pet. App. 30a-31a. Two years later, respondent United Artists, a wholly owned subsidiary of respondent Metro-Goldwyn-Mayer, Inc. (MGM), acquired the motion picture rights to the three works from Chartoff-Winkler. JA 103-07. In 1980, United Artists

released *Raging Bull*, a movie based on Mr. LaMotta's life, which was directed by Martin Scorsese and starred Robert De Niro as Mr. LaMotta. JA 25. To prepare Mr. De Niro for the role, Messrs. Petrella and LaMotta trained Mr. De Niro in boxing, and Mr. Petrella was credited as a producer of the film. *See id.*

Raging Bull has received considerable critical acclaim. It was nominated for eight Academy Awards and won two, including a Best Actor award for Robert De Niro. JA 25. Since then, movie critics have consistently described it as a cinematic masterpiece, and a poll of 1500 film artists, critics, and historians rated it as the fourth-best film of all time.[1] *Raging Bull* has also remained popular: MGM continues to market and sell the film. JA 39-40; Pet. App. 13a.

c. Mr. Petrella was unable to appreciate the long-term impact of his work, as he passed away in 1981. Because he died during the original twenty-eight-year term of his copyrights, his renewal rights reverted to his heirs under *Stewart* v. *Abend*, 495 U.S. 207 (1990). In *Stewart*, this Court held that a copyright holder can assign only an *expectancy* in the renewal of his copyright, which is contingent upon his survival. *Id.* at 217-19. If the copyright holder dies before the end of the initial term, the right reverts to his heirs, who can renew the copyright free of the

---

[1] *See Citizen Kane Stands the Test of Time*, AM. FILM INST., http://www.afi.com/100years/movies10.aspx (last visited Nov. 11, 2013).

assignment. *Id.* at 217-20. Congress specified this reversion to ensure that a deceased author's heirs could benefit from the success of his work, which cannot always be foreseen or valued ahead of time. *Id.*

The twenty-eight-year initial copyright term of the 1963 Screenplay expired in 1991. After learning of this Court's decision in *Stewart*, Ms. Petrella hired an attorney who renewed the copyright in the 1963 Screenplay in 1991, in the name of Mr. Petrella's heirs. JA 210-13; Pet. App. 4a-5a. After her mother passed away in 2005 and her brother assigned his rights to her, she became the sole owner of all rights in the 1963 Screenplay. JA 26-27.

Despite Ms. Petrella's timely copyright renewal, respondents continued, and continue to this day, to reproduce, market, and distribute the movie *Raging Bull*. JA 27-28. In response, Ms. Petrella's second attorney (at the same firm) contacted respondents in 1998, asserting that she had exclusive rights in the 1963 Screenplay and that respondents' continuing exploitation of *Raging Bull* infringed those rights. Pet. App. 5a. During 1998, 1999, and 2000, counsel for Ms. Petrella and respondents exchanged letters disputing whether respondents were violating the law by continuing to exploit the film. *Id.*; JA 125-35, 257-67. Counsel for respondents admitted that they had reviewed the issue of Ms. Petrella's rights years earlier, when *Stewart* was decided. JA 128. Also during that time, MGM regularly sent Ms. Petrella financial records showing that the film had been and continued to be unprofitable. JA 110. In 2001, MGM notified her

that it would stop sending financial statements, claiming that the film was unlikely ever to become profitable. JA 120-21, 234.

Ms. Petrella was dissatisfied with her lawyers' lack of diligence in investigating these representations. She was preoccupied, however, with caring for her dying mother and disabled brother, whose health conditions caused her to move from Los Angeles to New York for more than a year. *See* JA 231, 234-35; Pet. App. 10a; Dep. of Paula Petrella 18-19.

In late 2005, after her mother's death, Ms. Petrella returned to Los Angeles. Later that year, she learned that her attorneys had a conflict of interest because their law firm also represented Mr. De Niro.[2] Over the next year and a half, Ms. Petrella searched for and retained new counsel. *See* JA 120, 234-35.

In the meantime, respondents repeatedly committed new copyright infringements. For instance, in 2007 they released the *Raging Bull* Special Edition Two-Disc DVD Set and the *Raging Bull* "Sports Gift Set" DVD. *See* JA 27-28. In 2008, they

---

[2] Ms. Petrella's first attorney, as well as another partner at the same firm, represented Mr. De Niro. Ms. Petrella's second attorney was an associate at the same firm. Counsel could have feared that litigation over the film might harm Mr. De Niro's income and image, require him to testify as a witness, or otherwise antagonize or inconvenience him. While prior counsel's conflict of interest is not discussed in the record below, Ms. Petrella stands ready to offer admissible proof of this fact if this Court reverses and remands.

began converting *Raging Bull* to Blu-ray format, releasing that product in early 2009. JA 28, 40.

2.a. On January 6, 2009, Ms. Petrella sued respondents in the U.S. District Court for the Central District of California. JA 1, 19. Her complaint, as amended, asserted claims for copyright infringement, unjust enrichment, and an accounting. JA 29-33. She alleged that respondents had violated and continued to violate her exclusive rights in the 1963 Screenplay by using, producing, and distributing the film *Raging Bull*, which contains protected elements of that Screenplay. JA 29-30. She sought, *inter alia*, monetary damages and profits, injunctive relief, attorney's fees, and costs. JA 33-35. In light of the three-year statutory limitations period, the suit was based on – and sought damages for – acts of infringement occurring on or after January 6, 2006. 17 U.S.C. § 507(b).

Because Ms. Petrella's lawyers were untimely in renewing the copyrights in the Book and the 1973 Screenplay, her claim depended upon showing that the film was derived, either directly or via the Book, from copyrighted material that was original to the 1963 Screenplay. That required a finding that the original work and the allegedly infringing work shared substantial similarities. 4-13 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 13.03[A] (2013) (on Lexis). Under *Stewart*, the right to use a derivative work does not include the right to keep using protected elements of the original work that were incorporated into the derivative work. 495 U.S. at 222-27. Thus, once heirs renew the copyright

in an original work, licensees of a derivative work must also secure the heirs' permission to keep using the parts of the derivative work that were derived from the original work. *Id.*

b. Respondents moved for summary judgment. First, they argued that the Book was the original work on which the film was based and that, therefore, the 1963 Screenplay was actually derived from the Book. That argument rested on two recitals on page 18 of the 1976 agreement assigning the copyrights to all three works to Chartoff-Winkler.[3] Based on these recitals, respondents contended not only that the 1973 Screenplay was derived from the Book (published in 1970), but also that the 1963 Screenplay was derived from the Book. Pet. App. 34a, 36a & n.4; Mem. in Support of Defs.' Mot. for Summ. J. 4 n.1, 6

---

[3] One of the subparagraphs on page 18 recited that "[t]he Published Work [the Book] is original and has not been copied or adapted from any literary, dramatic or other work." JA 67. Another subparagraph recited that both of "[t]he Petrillo [*sic*] Screenplays are original and have not been copied or adapted from any literary, dramatic or other work other than the Published Work [the Book]." *Id.*

Like the latter recital, other provisions of the 1976 agreement contained a number of obvious errors. The agreement was sent by Chartoff-Winkler to and signed by Messrs. LaMotta and "Peter Savage [*sic*] a/k/a Frank Peter Petrillo [*sic*] and Emmett Cleary [*sic*]." JA 81; *see also* JA 48. It assigned rights not only to the Book but also to "those certain screenplays based on the said work which were written by Emmett Cleary [*sic*] and Peter Savage under the pseudonym [*sic*], of Frank Peter Petrillo [*sic*]." JA 48.

n.2, 9 n.4; Reply Br. in Supp. of Defs.' Mot. for Summ. J. 14-19. Second, respondents claimed the film was not substantially similar to the 1963 Screenplay. Pet. App. 40a-41a.

Third, respondents argued that the equitable defense of laches should bar Ms. Petrella's entire suit. Because they had invested money in promoting, marketing, and distributing the film, respondents argued that they had suffered financial prejudice. Reply Br. in Supp. of Defs.' Mot. for Summ. J. 23-24. And because witnesses had died, including Messrs. Petrella and Carter, respondents claimed that they would be prejudiced in their effort to prove that the Book was written before the 1963 Screenplay. *Id.* at 19.

Respondents' contention that the Book was written before the 1963 Screenplay conflicted with the other evidence. It conflicted with the Book's 1970 copyright registration certificate and 1970 publication date. JA 165, 201-06. It conflicted with the 1963 Screenplay's copyright registration certificate, which listed Mr. Petrella as its sole author instead of listing the three coauthors of the Book, the alleged source of the 1963 Screenplay. JA 196; *see also* Pet. App. 30a, 35a & n.3. It conflicted with the letter written by Mr. Heller, which stated that the Book was written after, and was based on, the 1963 Screenplay. JA 255-56.[4] It

---

[4] Respondents sought to exclude the Heller letter, objecting that it had been produced belatedly in discovery, was inadmissible hearsay, and was written by an author who had since died. Reply Br. in Supp. of Defs.' Mot. for Summ. J. 18-19. They

(Continued on following page)

conflicted with photographs in the Book, expressly dated 1969 and 1970, from the films *A House in Naples* and *Cauliflower Cupids*. JA 167-68. It conflicted with the Book's textual discussion of Mr. LaMotta's acting roles in those two post-1963 films. JA 190. And it conflicted with the Book's account of how Mr. Heller urged Mr. LaMotta to turn his story into a book. JA 190-91; *see also* JA 166 (dedicating book to Mr. Heller and to Mr. LaMotta's children).

c. The district court granted respondents' motion for summary judgment based solely on the defense of laches. Pet. App. 46a. It held that Ms. Petrella had unreasonably delayed suit by not filing until 2009. Pet. App. 42a-46a. It further held that the delay had prejudiced respondents' commercial expectations and their access to evidence, citing, *inter alia* the deaths of Messrs. Petrella and Carter in 1981 and 1984, respectively. Pet. App. 31a n.2, 44a-46a.

---

further suggested in passing that Ms. Petrella was estopped from contradicting the 1976 agreement assigning her father's rights. *Id.* at 16. The parties disputed whether the Heller letter was covered by a stipulation that all of the documents produced by either party would be treated as authentic and admissible. *Compare id.* at 19 n.10, *with* Mem. in Opp. to Mot. for Summ. J. 18 n.2, *and* Decl. of Glen Kulik in Opp. to Defs.' Mot. for Summ. J. ¶ 4 (attaching Dep. of Edward Slizewski 58-59). The district court noted these disputes but declined to exclude the evidence, finding the existence of "at least a factual dispute" that "is a triable issue." Pet. App. 37a-38a. The court further held that respondents "ha[d] not made" the claim that Ms. Petrella was estopped by the recitals in the 1976 agreement. Pet. App. 38a.

But for the laches ruling, Ms. Petrella's claims would have survived summary judgment. Pet. App. 38a-42a. The court held that the dispute over the sequence of authorship was "a triable issue." Pet. App. 38a. On the critical issue of whether the 1963 Screenplay was substantially similar to the film, the court noted legitimate factual disagreement over the similarity of the two works. Had laches been inapplicable, the court would have left that factual dispute to the trier of fact. Pet. App. 40a-42a.

3. The Ninth Circuit affirmed. It announced a "presum[ption] that [a] plaintiff's claims are barred by laches" so long as "any part of the alleged wrongful conduct occurred outside of the limitations period." Pet. App. 8a (internal quotation marks omitted). Applying that standard, the panel found no genuine issues of material fact as to the three elements needed to prove laches under Ninth Circuit precedent: (1) delay; (2) unreasonableness of the delay; and (3) either evidentiary or financial-expectations prejudice. *Id.* It held the delay unreasonable because it viewed Ms. Petrella as having waited to see "whether the infringing conduct w[ould] be profitable," rather than whether the "infringement will justify the cost of litigation," which would not have triggered laches. Pet. App. 11a (internal quotation marks omitted). It put this case in the former category, even though respondents had informed Ms. Petrella that the film would likely never yield her a percentage of overall net income. *See* JA 120-21, 234.

The court found sufficient prejudice based on respondents' recent expenditures in promoting, marketing, and distributing the film, even though they had "earned a substantial profit [on these expenditures] as a result of the delay and . . . allege[dly] would not have done anything different, or been in any better position, had the suit been filed sooner." Pet. App. 14a-15a; *see also id.* at 12a-15a. Because of its ruling on financial prejudice, the panel did not consider whether respondents had been prejudiced by any loss of evidence. Pet. App. 12a.

Judge William Fletcher concurred "only because [the panel was] compelled to follow" circuit precedent allowing laches as a complete defense to copyright infringement. Pet. App. 23a. He observed, however, that the equitable doctrine of laches is "entirely a judicial creation. . . . that is in tension with Congress' intent" to create an explicit limitations period. Pet. App. 24a. Judge Fletcher noted that the Ninth Circuit's approach was "the most hostile to copyright owners of all the circuits." Pet. App. 23a. The Ninth Circuit, he explained, had confused laches with equitable estoppel, which would have required proof that Ms. Petrella engaged in knowing misrepresentation. Pet. App. 25a-27a. He called on the Ninth Circuit to revisit its case law to correct its "wrong turn," but the court declined to rehear the case en banc. Pet. App. 27a, 49a-50a.

SUMMARY OF ARGUMENT

1. Because Congress has specified a three-year period for bringing copyright infringement suits, judges may not use laches to constrict that statutory period.

a. The text of the Copyright Act's statute of limitations contains no words permitting recourse to laches. It refers in the singular to each claim's accrual. Congress enacted the Copyright Act's statute of limitations against the background rule of separate accrual for each claim. Under the separate accrual rule, a separate claim accrues each and every time the copyright is infringed. Each claim is actionable for three years, even if earlier claims are time-barred.

b. The separation of powers prevents judges from reducing the time prescribed by Congress for bringing infringement suits. This Court's cases have long recognized that laches cannot bar suits that are brought within the statute of limitations. *Holmberg* v. *Armbrecht*, 327 U.S. 392, 395 (1946); *Russell* v. *Todd*, 309 U.S. 280, 287 (1940); *United States* v. *Mack*, 295 U.S. 480, 489 (1935). That settled law was the background principle against which Congress enacted the Copyright Act's statute of limitations in 1957. Respecting Congress's authority is especially warranted in copyright law, where the Constitution specifically vests power in Congress. Moreover, Congress is best able to adapt the law to technological change and strike legislative bargains.

c. The statutory context of the Copyright Act confirms that laches cannot bar suits brought within

the statute of limitations. Though the texts of the Lanham and Patent Acts may authorize recourse to laches, the text of the Copyright Act does not. While tolling is an established background principle for interpreting words of accrual and time periods in statutes of limitations, laches is not a background principle to aid in interpreting the terms of statutes of limitations. Indeed, the opposite is the case.

d. The statute of limitations' text is clear and so precludes recourse to legislative history. Even if it were not, the legislative history confirms the text's plain meaning. Congress relied on its understanding that tolling, unlike laches, was "read into every federal statute of limitation." *Holmberg*, 327 U.S. at 397. Congress meant to preserve tolling doctrines to lengthen the time for bringing suit in appropriate cases, but conspicuously omitted any references to shortening it. It did so as part of a legislative bargain to compensate for shortening the limitations period previously applicable in some states.

2. Laches cannot bar either injunctive relief or damages for copyright infringement.

a. Barring injunctive relief would deprive copyright holders of their right to exclude infringers. As this Court has held in trademark infringement cases, "[m]ere delay or acquiescence cannot . . . . destroy the right to prevention of further injury." *Menendez* v. *Holt*, 128 U.S. 514, 523, 525 (1888); *accord McLean* v. *Fleming*, 96 U.S. 245, 251 (1877). The Ninth Circuit's use of laches to ban injunctions overrides the

traditional four-factor test for injunctive relief, contrary to this Court's teaching in *eBay Inc.*, v. *MercExchange, L.L.C.*, 547 U.S. 388, 393-94 (2006). Laches effectively grants infringers a permanent, compulsory license for free, at odds with Congress's careful limits on compulsory-licensing provisions. Moreover, the remedy of a compulsory, uncompensated license is not proportional to an infringer's monetary expenditures or the remaining duration of the copyright.

b. Nor can laches bar remedies at law. Congress has carefully specified limits on monetary relief. The Copyright Act limits an infringer's liability to infringements during the three years before suit, tailors liability to the infringer's awareness of infringement, and allows infringers to deduct from damages their foregone profits, expenditures, and contributions to each work's success. Additionally, laches, as an equitable defense, cannot bar actions or remedies at law

3. Precluding laches would best serve the Copyright Act's goals and public policy.

a. Evidentiary concerns do not warrant allowing laches to bar suit. Congress chose to create the *Stewart* v. *Abend* renewal right for authors' heirs, even though by its nature it sometimes requires courts to weigh decades-old evidence after the author's death. In doing so, Congress deliberately subordinated evidentiary concerns to vindicating heirs' rights. Moreover, copyright plaintiffs bear the burden of proving infringement. Copyright litigation depends primarily on the copyright registration certificate and the fact-finder's own comparison of the original and allegedly

infringing works, so historical fact witnesses are likely to be relatively unimportant. Circuits that restrict or disallow laches have not, to our knowledge, seen a flood of stale claims.

b. Laches risks encouraging unnecessary and premature litigation. Though some infringements are beneficial, neutral, or too minor to pursue, owners may feel pressure to sue infringers immediately regardless of whether they suffer harm. If they do not, laches may bar them from doing so later if the harm grows. Owners may be motivated to assign rights to so-called copyright trolls, who may overenforce copyrights in pursuit of statutory damages and attorney's fees. Laches would also undercut the Copyright Act's goals of promoting clarity and predictability of enforcement, driving up litigation costs.

c. Equitable estoppel, a non-timeliness defense, suffices to protect defendants. That defense requires that a plaintiff actually know of the infringement, perform acts or make statements that affirmatively mislead the defendant, and cause actual harm or loss. These requirements better tailor the defense to protect defendants' legitimate expectations against plaintiffs' knowing, affirmative wrongdoing. Unlike laches, estoppel does not require proof of delay, so it is not a timeliness doctrine precluded by statutes of limitations. And unlike laches, estoppel is a background principle against which Congress legislated. Thus, unlike laches, estoppel is consistent with the statutory scheme.

ARGUMENT

I. Because Congress Has Prescribed the Time Allowed for Bringing Copyright Infringement Suits, Courts May Not Impose Additional Timeliness Doctrines Such as Laches

Under the text of the Copyright Act, each claim of infringement accrues separately for purposes of the statute of limitations, so Ms. Petrella's claims were timely filed as to infringements from 2006 on. The separation of powers requires courts to defer to Congress's rule of timeliness, not to supplement it with the additional timeliness requirement of laches, and Congress legislated against the backdrop of that rule. Unlike the Lanham and Patent Acts, whose texts may provide for laches, the text of the Copyright Act leaves no room for laches. And applying laches would undermine Congress's goal of ensuring that litigants have enough time to file suit.

A. Under the Text of the Copyright Act's Three-Year Statute of Limitations, Petitioner's Suit Was Timely

Ms. Petrella filed this copyright infringement suit in January 2009, within three years of respondents' infringements in or after 2006. As to those infringements, this suit was timely under the plain language of the Copyright Act's three-year statute of limitations, which did not start running for each

claim until that particular "claim accrued." 17 U.S.C. § 507(b). Respondents err in suggesting that this action was not "actually brought *within* the statute of limitations," and that only "a judicial engraftment onto the statute of limitations" rescues the suit from untimeliness. Opp. 21-22 (emphasis in original).

1. *Separate Accrual of Claims Is the Standard Rule.* A federal cause of action does not accrue until "the plaintiff has a complete and present cause of action." *Wallace* v. *Kato*, 549 U.S. 384, 388 (2007) (quoting *Bay Area Laundry & Dry Cleaning Pension Trust Fund* v. *Ferbar Corp.*, 522 U.S. 192, 201 (1997)) (internal quotation marks omitted). Under this "standard rule," the statute of limitations does not begin to run until "the plaintiff can file suit and obtain relief." *Id.* (quoting *Bay Area Laundry*, 522 U.S. at 201).[5] For "the plaintiff [to] file suit and obtain relief," *id.*, "all

---

[5] *Accord Reiter* v. *Cooper*, 507 U.S. 258, 267 (1993) ("While it is theoretically possible for a statute to create a cause of action that accrues at one time for the purpose of calculating when the statute of limitations begins to run, but at another time for the purpose of bringing suit, we will not infer such an odd result in the absence of any such indication in the statute."); *United States* v. *Wurts*, 303 U.S. 414, 418 (1938) ("It would require language so clear as to leave room for no other reasonable construction in order to induce the belief that Congress intended a statute of limitations to begin to run before the right barred by it has accrued"); *Borer* v. *Chapman*, 119 U.S. 587, 602 (1887) ("It cannot be that the statute of limitations will be allowed to commence to run against a right until that right has accrued in a shape to be effectually enforced."); *Clark* v. *Iowa City*, 87 U.S. (20 Wall.) 583, 589 (1874) ("All statutes of limitation begin to run when the right of action is complete . . . .").

the elements essential to [that suit's] existence [must already be] present." *United States* v. *Atl. Mut. Ins. Co.*, 298 U.S. 483, 489 (1936).

Thus, when a defendant commits successive violations, the statute of limitations starts running separately from the date of each violation. In *Bay Area Laundry*, for example, an employer was delinquent in making a series of scheduled liability payments to an underfunded pension plan. 522 U.S. at 198-99. The trustees filed suit just over six years after the first missed payment, just beyond the six-year statute of limitations. *Id.* at 195. Even though the first missed payment in the series fell beyond the statute of limitations, this Court rejected the employer's argument that the other missed payments were thus time-barred as well. *Id.* at 206. The remaining claims were timely because "each missed payment creates a separate cause of action with its own six-year limitations period." *Id.*

The same rule applies to damages claims for a series of statutory violations: each claim accrues separately. *See, e.g.*, *Klehr* v. *A.O. Smith Corp.*, 521 U.S. 179, 189-90 (1997) (civil RICO); *Zenith Radio Corp.* v. *Hazeltine Research, Inc.*, 401 U.S. 321, 338 (1971) (Sherman and Clayton Acts); *State Farm Mut. Auto. Ins. Co.* v. *Ammann*, 828 F.2d 4, 5 (9th Cir. 1987) (Kennedy, J., concurring) (noting rules for civil RICO, antitrust, and § 1983 actions).

"Congress has been operating against the background rule recognized in *Bay Area Laundry* for a

very long time." *TRW Inc.* v. *Andrews*, 534 U.S. 19, 38 (2001) (Scalia, J., concurring in the judgment). It has been the "standard rule" for more than a century and a half. *Gabelli* v. *SEC*, 133 S. Ct. 1216, 1220-21 (2013). This Court "ha[s] repeatedly recognized that Congress legislates against the standard rule that the limitation period commences when the plaintiff has a complete and present cause of action." *Graham Cnty. Soil & Water Conservation Dist.* v. *United States ex rel. Wilson*, 545 U.S. 409, 418 (2005) (internal quotation marks omitted).

If courts deviated from this separate accrual rule, they would foreclose as-yet unaccrued claims. Permitting the limitations period to start running before the plaintiff could even sue for a particular violation in a series of violations could "bar[] [the plaintiff] from the courts," a result that would be "unfortunate" and "untoward." *Crown Coat Front Co.* v. *United States*, 386 U.S. 503, 514-15 (1967).

2. *The Separate Accrual Rule Applies Fully to Copyright Claims.* The text of the Copyright Act's statute of limitations embodies the separate accrual rule. It uses standard accrual language, requiring that a "civil action" be "commenced within three years after the claim accrued." 17 U.S.C. § 507(b). That phrase, referring to each claim in the singular, tracks the accrual language interpreted in this Court's precedents on the separate accrual rule generally. *See, e.g.*, *Gabelli*, 133 S. Ct. at 1220 (interpreting 28 U.S.C. § 2462, which required that an "action" be "commenced within five years from the date when the

claim first accrued"); *Crown Coat*, 386 U.S. at 510-11 (applying 2 U.S.C. § 2401(a), which required that a "civil action" be "filed within six years after the right of action first accrues"). The separate accrual rule is no "judicial engraftment onto the statute of limitations." Opp. 21. It is the plain meaning of the words Congress chose.

For copyright infringement, an "element[ ] essential to [each claim's] existence," *Atl. Mut. Ins.*, 298 U.S. at 489, is that the defendant has committed the particular allegedly infringing act. Thus, courts and leading copyright treatises agree that the three-year period runs separately for each act of infringement, even if it is one of a continuing series of infringing acts. "If infringement occurred within three years prior to filing, the action will not be barred even if prior infringements by the same party as to the same work are barred because they occurred more than three years previously." 1-12 NIMMER ON COPYRIGHT § 12.05[B][1][b]; *see, e.g.*, *Bouchat* v. *Balt. Ravens Ltd. P'ship*, 619 F.3d 301, 316 (4th Cir. 2010); *William A. Graham Co.* v. *Haughey*, 568 F.3d 425, 433 (3d Cir. 2009); *Roger Miller Music, Inc.* v. *Sony/ATV Publ'g, LLC*, 477 F.3d 383, 390 (6th Cir. 2007); *Stone* v. *Williams*, 970 F.2d 1043, 1049 (2d Cir. 1992). Patry, following the case law, dubs this the "separate accrual rule." 6 WILLIAM F. PATRY, PATRY ON COPYRIGHT § 20:23 (2013) (on Westlaw); *e.g.*, *Klehr*, 521 U.S. at

190.[6] No court has required a copyright action seeking relief for an infringement within the past three years to be brought within three years of the initial act of infringement. 6 PATRY ON COPYRIGHT § 20:23.

The legislative history confirms the text's plain import. When a House subcommittee considered the predecessor to the bill that was ultimately enacted, a representative of the Association of American Motion Pictures (now Motion Picture Association of America) testified that the standard accrual rule would apply to the Copyright Act. *Copyrights – Statute of Limitations: Hearings on H.R. 781 Before the Subcomm. No. 3 of the H. Comm. on the Judiciary*, 84th Cong. 48 (1955) (*Hearings on H.R. 781*) (testimony of Fulton

---

[6] In their brief in opposition, respondents appear to conflate the separate accrual rule with the continuing violation doctrine. Opp. 21. The former treats discrete new claims as timely regardless of earlier claims; the latter authorizes suit for ongoing, continuous violations extending into the limitations period, even if some components of the violation predated the limitation period. *Klehr*, 521 U.S. at 189-90. A price-fixing conspiracy may be actionable as a continuing violation extending into the statutory limitations period, even if it began long ago. *Id.* By contrast, the "separate accrual" rule allows a plaintiff to recover for "a separable, new" wrong within the limitations period, but not to "bootstrap to recover for injuries caused by other earlier [wrongs] that took place outside the limitations period." *Id.* at 190.

Here, Ms. Petrella seeks damages and injunctive relief for discrete wrongs since 2006, so these claims are timely under the separate accrual rule. She does not contend that any pre-2006 wrongs are ongoing and actionable, so she need not rely on the continuing violation doctrine.

Brylawski) ("Every performance of every moving picture is a separate infringement – if they occurred three years ago. That would be barred in three years. But the next time they showed it a new infringement would occur which would be actionable.").

Here, Ms. Petrella could not have challenged specific infringements occurring after 2006 until those infringements actually took place. For example, she could not have challenged MGM's release of the "Ultimate Sports Gift Set" DVD collection, which included *Raging Bull*, until respondents released it on April 10, 2007. Nor could she have claimed that the "Sports Gift Set" DVD collection, which included *Raging Bull*, infringed her copyright until respondents released it on May 22, 2007. *Cf.* JA 27-28. Those infringement claims did not accrue until 2007. Her suit, filed in 2009, was timely as to these and all other infringements occurring during or after 2006.

B. The Separation of Powers Prevents Judges from Constricting Congress's Express Three-Year Statute of Limitations

The separation of powers bars judges from superimposing additional timeliness requirements upon those prescribed by Congress. The judicial role is particularly circumscribed in copyright law, as the Constitution expressly vests power over copyrights in Congress. Moreover, Congress has the institutional competence to develop copyright law: it is best able to

adapt the law to technological change and balance the competing interests of copyright owners and the public. Because Congress enacted the Copyright Act's statute of limitations, courts may not apply laches to constrict it.

1. *Generally.* The separation of powers constrains the judicial role in statutory interpretation. "[I]n our constitutional system[,] the commitment to the separation of powers is too fundamental for [courts] to pre-empt congressional action by judicially decreeing what accords with 'common sense and the public weal.'" *Tenn. Valley Auth.* v. *Hill*, 437 U.S. 153, 195 (1978). In interpreting statutes, courts must "put aside" their "individual appraisal of the wisdom or unwisdom of a particular course consciously selected by the Congress." *Id.* at 194. It is "the exclusive province of the Congress . . . to formulate legislative policies." *Id.*

2. *In Copyright Law.* These limits on the judicial role are especially important in the field of copyright. The Copyright and Patent Clause expressly vests in Congress the power to establish and regulate copyrights. U.S. CONST. art. I, § 8, cl. 8. "As the text of the Constitution makes plain, it is Congress that has been assigned the task of defining the scope of the limited monopoly that should be granted to authors . . . ." *Sony Corp. of Am.* v. *Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984).

For more than a century and a half, "it [has been] settled that the protection given to copyrights is

wholly statutory. The remedies for infringement 'are only those prescribed by Congress.'" *Id.* at 431 (citation omitted) (citing *Wheaton* v. *Peters*, 33 U.S. (8 Pet.) 591, 661-62 (1834) and quoting *Thompson* v. *Hubbard*, 131 U.S. 123, 151 (1889)). Thus, a "recurring theme" in copyright law has been "[t]he judiciary's reluctance" to alter copyright protections "without explicit legislative guidance." *Id.* at 431. In short, courts "are not at liberty to second-guess congressional determinations and policy judgments of this order," even if some might consider those policy judgments "debatable or arguably unwise." *Eldred* v. *Ashcroft*, 537 U.S. 186, 208 (2003).

In addition to Congress' constitutional authority in the copyright field, judicial deference to Congress is warranted for two other reasons. First, copyright law adapts to technological change, such as the conversion of old works to new media. *Sony*, 464 U.S. at 430. "Congress," not the courts, "has [both] the constitutional authority and the institutional ability to accommodate the . . . competing interests that are inevitably implicated by such new technology." *Id.* at 431.

Second, in copyright law, Congress must constantly balance competing interests by striking legislative bargains. Congress has repeatedly amended copyright statutes to strike "a difficult balance between the interests of authors" in profiting from their labors "and society's competing interest in the free flow of ideas, information, and commerce." *Sony*, 464 U.S. at 429; *accord Twentieth Century Music Corp.* v.

Aiken, 422 U.S. 151, 156 (1975). Thus, courts should not alter the balance Congress has struck, by adding "burdensome requirements" that hinder authors' and publishers' ability to vindicate their "valuable, enforceable rights." *Mazer* v. *Stein*, 347 U.S. 201, 219 (1954) (quoting *Washingtonian Pub. Co.* v. *Pearson*, 306 U.S. 30, 36 (1939)).

This Court has been especially sensitive to Congress's delicate balancing of interests when considering the Copyright Act's time limitations. In *Eldred*, for instance, this Court "defer[red] substantially to Congress['s]" lengthening of copyright terms. 537 U.S. at 195, 204-05, 208. It is "the Legislature's domain" to determine, even in the face of existing expectations, what "incentive[s]" to give "authors to create and disseminate their work." *Id.* at 205-06.

Likewise, in *Stewart*, this Court recognized that Congress's history of extending copyright terms reflected its changing evaluation of how to balance authors' and users' respective interests. 495 U.S. at 230. "This evolution of the duration of copyright protection tellingly illustrates the difficulties Congress faces in" protecting authors' and their families' exclusive rights to profit from their labor. *Id.* Congress granted authors' heirs enforceable rights to profit by renewing the copyright in the deceased author's work, *after* the author's death and decades after the work was first written. *Id.* Accordingly, this Court honored the legislature's judgment: "Absent an explicit statement of congressional intent that the rights in the renewal term . . . are extinguished . . . , it is not our role to

alter the delicate balance Congress has labored to achieve." *Id.*

3. *Laches Is Not Available Within a Statutory Limitations Period.* Where Congress has enacted a statute of limitations, courts may not use laches to constrict that time period.

"If Congress explicitly puts a limit upon the time for enforcing a right which it created, there is an end of the matter. The Congressional statute of limitation is definitive." *Holmberg*, 327 U.S. at 395. Or, as Justice Cardozo put it, "[l]aches within the term of the statute of limitations is no defense at law." *Mack*, 295 U.S. at 489; *accord Ashley* v. *Boyle's Famous Corned Beef Co.*, 66 F.3d 164, 169-70 (8th Cir. 1995), *abrogated on other grounds by Rowe* v. *Hussman Corp.*, 381 F.3d 775, 782 n.6 (8th Cir. 2004); Br. of the United States as Amicus Curiae 21, *Merck & Co.* v. *Reynolds*, 559 U.S. 633 (2010) (No. 08-905) (citing *Mack* in opposing defendants' "attempt to engraft laches principles onto" the federal statute of limitations for civil securities fraud claims).

The laches defense is redundant of a statute of limitations. Laches itself is a "rule of limitations" that applies only "in the absence of any [applicable] statute of limitations." *Russell*, 309 U.S. at 287.[7]

---

[7] In their brief in opposition, respondents attempt to distinguish *Holmberg*, *Mack*, and *Russell* as resting upon "the intersection between laches and *sovereignty*." Opp. 10-11 (emphasis in original). That is an alternative holding of *Mack*. 295 U.S. at 489.

(Continued on following page)

Additionally, because it can be triggered by "delay alone," it is at root a timeliness doctrine, just like statutes of limitations. *Id.* Thus, "laches is not available where the legislative body has fixed a period within which the action may be brought." 30A C.J.S. EQUITY § 138, at 428 (2d ed. 2007).

These principles apply with particular force to the Copyright Act. *Holmberg*, *Mack*, and *Russell* were the governing law when Congress enacted the Copyright Act's statute of limitations in 1957. Having enacted the statute against the backdrop of these cases, Congress would not have expected laches to bar actions filed within the statutory limitations period.

Other authorities agree that the separation of powers bars laches in copyright infringement suits. Writing for the Fourth Circuit, Judge Niemeyer relied on separation of powers principles to preclude laches entirely in copyright infringement cases. "[A] court should not apply laches to overrule the legislature's judgment as to the appropriate time limit to apply . . . ." *Lyons P'ship, L.P.* v. *Morris Costumes, Inc.*, 243 F.3d 789, 798 (4th Cir. 2001) (relying in this discussion on *Holmberg*, *Mack*, and *Ashley*). "Separation of powers principles thus preclude [courts] from applying the judicially created doctrine of laches to

---

But neither *Mack*'s primary holding, nor *Holmberg*'s or *Russell*'s holding or reasoning, relies on sovereignty. Moreover, the separation of powers, like federalism, also preserves legislative sovereignty.

bar a federal statutory claim that has been timely filed under an express statute of limitations." *Id.*

Moreover, as the Fourth Circuit observed, "this principle is equally relevant when Congress creates a cause of action for traditional equitable remedies, such as injunctions, and specifies a statute of limitations for that action." *Id.* at 798. Patry's copyright treatise concurs with *Lyons'* separation of powers analysis. "[L]aches should be limited to cases in which no statute of limitations applies." 6 PATRY ON COPYRIGHT § 20:55. Thus, Patry concludes, "[t]he availability of laches for conduct occurring within the limitations period is impermissible." *Id.*

C. The Statutory Context of the Copyright Act Confirms that Laches May Not Bar Claims Brought Within the Statute of Limitations

A comparison of the Copyright Act with other intellectual property statutes, and an understanding of the background against which it was enacted, confirm that laches cannot constrict the statutory limitations period. First, Congress specifically authorized laches as a defense to other intellectual property infringements but declined to do so in the Copyright Act. The natural inference is that Congress did not intend for laches to bar copyright infringement claims. Second, while Congress understood that equitable tolling is implicit in statutes of

limitations as a background principle, the same was not true of laches.

1. *Other Intellectual Property Statutes, Unlike the Copyright Act, Use Language Authorizing the Defense of Laches.* As noted above, an express statute of limitations precludes the laches defense unless Congress provides otherwise. While Congress has not provided otherwise in the Copyright Act, it has done so in other areas of intellectual property law. The Lanham Act, which governs trademarks, has no statute of limitations. *Lyons*, 243 F.3d at 799. Instead, it expressly authorizes "equitable principles, including laches," as defenses to infringement. 15 U.S.C. § 1115(b)(9).

The Patent Act also includes language that may authorize the defense of laches. Specifically, it establishes defenses of "absence of liability for infringement or unenforceability." 35 U.S.C. § 282(b)(1). According to the Examiner-in-Chief of the Patent Office, one of the drafters of the Patent Act, this wording was added to "include . . . defenses such as . . . laches." P.J. Federico, *Commentary on the New Patent Act*, 35 U.S.C.A. 1, 55 (1954), *reprinted in* 75 J. PAT. & TRADEMARK OFF. SOC'Y 161, 215 (1993); *see A.C. Aukerman Co.* v. *R.L. Chaides Constr. Co.*, 960 F.2d 1020, 1029 (Fed. Cir. 1992) (en banc) (relying on this statutory phrase and Federico's statement in allowing laches as a defense to patent infringement).

The Copyright Act's statute of limitations contains no such wording inviting recourse to laches. The

negative inference is unmistakable. Congress knows how to incorporate laches into a statute when it wishes to, but chose not to do so here. On the contrary, it enacted a bright-line statute of limitations for copyright claims against the background rule of *Holmberg*, *Mack*, and *Russell*. This Court routinely reasons that where Congress "use[s] explicit language" in certain statutes, its silence on the same topic in another statute "cautions against" reading the same doctrine into the latter statute. *Marx* v. *Gen. Revenue Corp.*, 133 S. Ct. 1166, 1177 (2013); *see, e.g.*, *Amoco Prod. Co.* v. *S. Ute Indian Tribe*, 526 U.S. 865, 877 (1999). The statute's clear words, adopted against the backdrop of cases disallowing laches within a statute of limitations, preclude any recourse to laches.

2. *Equitable Tolling*. The unavailability of laches in the Copyright Act may usefully be contrasted with "equitable tolling," which does apply here as it does to other statutes of limitations. Tolling, unlike laches, has long applied both to actions at law and those in equity, so the term "equitable tolling" is no longer quite accurate. *Bailey* v. *Glover*, 88 U.S. (21 Wall.) 342, 348-50 (1875); *see infra* pp. 35-36. And tolling, unlike laches, has long been applied to statutes of limitations. *See, e.g.*, *Irwin* v. *Dep't of Veterans Affairs*, 498 U.S. 89, 95 (1990); *Am. Pipe & Constr. Co.* v. *Utah*, 414 U.S. 538, 558-59 (1974). It "is read into every federal statute of limitation." *Holmberg*, 327 U.S. at 397. Congress is thus presumed to draft all statutes of limitations against the background principle of equitable tolling. *See Young* v. *United States*,

535 U.S. 43, 49-50 (2002); *see also Exploration Co.* v. *United States*, 247 U.S. 435, 449 (1918).

The word "accrued" and the specified length of time must be read against this backdrop. Tolling is baked into what Congress means when it specifies that a case must be "commenced within three years after the claim accrued." 17 U.S.C. § 507(b). By contrast, laches is not a tool for parsing words in statutes of limitations; there are no words in the Copyright Act that preserve laches. It is instead a separate timeliness doctrine that imposes an additional, extra-statutory requirement for bringing suit. Laches was never a background doctrine applied to statutes of limitations, and superimposing it constricts the period specified by Congress.

D. The Legislative History Confirms That Laches Cannot Constrict the Copyright Act's Express Statute of Limitations

The text of the Copyright Act's statute of limitations is clear, and it is reinforced by the background principle that laches does not apply where Congress has enacted an express statute of limitations. The statutory text is therefore not "sufficiently ambiguous to warrant recourse to legislative history." *Eldred*, 537 U.S. at 209 n.16. But even if one consulted the legislative history, it would confirm the text's plain import. Congress meant to preserve doctrines that

lengthen the time for bringing suit, but conspicuously never mentioned *shortening* it.

1. Congress enacted a three-year statute of limitations for civil copyright claims to promote uniformity. S. REP. NO. 85-1014, at 2 (1957). In the absence of a federal statute of limitations, judges had borrowed a variety of state limitations periods, which ranged from one to six or eight years. *Id.* at 1-2. In the 84th Congress, the House passed H.R. 781 to add a three-year statute of limitations, but the bill arrived too late to be passed by the Senate. *Id.* at 1. The next year, the 85th Congress enacted the three-year limitations period in an indistinguishable bill, H.R. 277. Act of Sept. 7, 1957, Pub. L. No. 85-313, 71 Stat. 633 (codified at 17 U.S.C. § 507(b)).

2. The issue of tolling arose in Congress's consideration of the limitations period. The proposed federal limitations period was going to displace the varying state statutes of limitations, cutting New York's six-year period in half. That impending cut prompted New Yorkers to demand tolling to offset the shortening of the limitations period: "If we have a shorter provision than six years – and this represents a compromise view – if we reduce it to a period shorter than six years[,] then the statute should be tolled under certain circumstances." *Hearings on H.R. 781*, at 29 (testimony of Herman Finkelstein, Chairman of the Committee on Copyright Law Revision of the Bar of the City of New York); *see id.* at 14 (statement of George D. Carey, Principal Legal Advisor, Copyright Office, Library of Congress) (expressing the view that

"New York would accept this" limitations period if it included a tolling provision, but if there were no tolling, members of the Bar and representatives of authors and users would not generally agree).

The House considered enumerating the circumstances under which tolling would apply. Members of the House Judiciary Committee understood that all 48 states tolled state copyright actions if a plaintiff suffered a legal disability, a defendant was absent from the country, or a party died. *Hearings on H.R. 781*, at 13 (Carey), 29-30, 32 (Finkelstein). They discussed at length whether to spell out these exceptions, as well as one for fraudulent concealment, in the statutory text. *Id.* at 32 (Finkelstein), 37-38 (testimony of Vincent T. Wasilewski, Nat'l Ass'n of Radio & Television Broadcasters). The motivation for enumerating the tolling doctrines, according to the Copyright Office's Principal Legal Advisor, was to reassure plaintiffs that they would "hold[ ] on to a right which now exists under the state laws." *Id.* at 15 (Carey).

3. Congress ultimately decided not to specify the availability of and grounds for tolling because it believed that "[f]ederal district courts, generally, recognize these equitable defenses anyway." S. REP. NO. 85-1014, at 3 (quoting H.R. REP. NO. 84-2419, at 2). The Copyright Office's Principal Legal Advisor had testified that tolling was a background principle included in statutes of limitations. He noted that *Holmberg* had held that "this equitable doctrine [fraudulent concealment] is read into every Federal statute of limitation." *Hearings on H.R. 781*, at 11-12

(quoting and citing *Holmberg*, 327 U.S. at 397).[8] "But if [anyone] argue[d]" that courts would not read in tolling automatically, representatives would have thought it "very important that we put them in." *Hearings on H.R. 781*, at 43 (statement of Rep. James Quigley). Absent that worry, and certain that courts would apply the background principle of equitable tolling, the concern that "specifically enumerating various" grounds for "suspend[ing]" the limitations period "might result in unfairness to some persons" led the Senate to leave tolling implicit. S. REP. NO. 85-1014, at 3.

4. Although both the House and Senate Reports express Congress's intent to allow equitable tolling that could extend the limitations period, no one suggested that the limitations period could be constricted. The Senate Report noted: "Equitable considerations are available to *prolong* the time for bringing suit in such cases where there exist the disabilities o[f] insanity o[r] infancy, absence of the defendant from the jurisdiction, fraudulent concealment, etc." S. REP. NO. 85-1014, at 3 (quoting H.R. REP. NO. 84-2419, at 3) (emphasis added); *accord id.* at 3 (discussing "various equitable situations on which the

---

[8] While *Holmberg* said that tolling is implicit in every statute of limitations, it made the opposite point about laches, stating that an express, governing statute of limitations precludes recourse to laches. 327 U.S. at 395; *see supra* p. 28. Thus, the relevant background principle when Congress added the statute of limitations to the Copyright Act was that laches was *unavailable*, as explicitly stated in the very precedent cited to Congress.

statute of limitations is generally *suspended*") (emphasis added); *id.* at 2 (discussing "specific equitable considerations with reference particularly to *tolling* the statute") (emphasis added).

5. Permitting defendants to invoke laches within the statute of limitations conflicts with Congress's intent to assure plaintiffs enough time to bring suit. It contravenes the legislative compromise Congress struck, which carefully balanced a longer limitations period, in the interest of authors, against a shorter one, in the interest of users of works. Using laches to constrict the compromise Congress reached finds no support in the legislative record.

II. Laches Cannot Bar Either Injunctive Relief or Damages for Copyright Infringement

The text of the Copyright Act and general separation of powers considerations suffice to resolve this case. Aside from these considerations, there are additional, specific reasons why laches cannot bar either of the primary forms of relief sought here.

First, laches cannot bar injunctive relief. Using laches to bar prospective injunctive relief would amount to involuntarily licensing copyrights to infringers for free. That remedy would be at odds with the traditional four-factor test for injunctive relief. It would also violate the Copyright Act, which authorizes compulsory licenses only in limited circumstances not present here. Moreover, the penalty will

often be disproportional to the harm, contrary to Congress's intent.

Nor can laches bar remedies at law. Congress has already specified limits on damages to ensure a fair measure of remedies: it limited damages to three years, and it let infringers offset their expenses in calculating profits. There is no need to restrict remedies further, particularly by invoking an additional timeliness requirement. Moreover, as an equitable doctrine, laches is categorically unavailable to bar legal remedies.

A. Laches Does Not Bar Injunctive Relief

1.a. *Barring Injunctive Relief Would Amount to Compulsory Uncompensated Licensing and Upset the Four-Factor Test for Injunctive Relief.* At root, copyright law protects each owner's "right to exclude others from using his property." *Fox Film Corp.* v. *Doyal,* 286 U.S. 123, 127 (1932). The right to exclude is at the heart of what it means to have a property right, and it may be vindicated by injunctive relief.

Thus, even though trademark law contains no statute of limitations, this Court has refused to allow laches to bar injunctions in trademark infringement suits. Barring injunctive relief, it reasoned, would amount to "creat[ing] a new right in the defendant." *Menendez*, 128 U.S. at 524. Mere delay cannot "destroy the right to prevention of further injury." *Id.* at 525. In other words, "[m]ere delay or acquiescence cannot defeat the remedy by injunction in support of

the legal right, unless it has been continued so long and under such circumstances as to defeat the right itself." *Id.* at 523. While an equitable remedy may be limited as to "completed" acts, "so far as the act is in progress and lies in the future, the right to the intervention of equity is not generally lost by previous delay, in respect to which the elements of an estoppel could rarely arise." *Id.* at 524. That was true of the thirteen-plus year delay in *Menendez* and of the twenty-year delay in *McLean*. *McLean*, 96 U.S. at 250; *Holt* v. *Menendez*, 23 F. 869, 871 (C.C.S.D.N.Y. 1885), *aff'd*, 128 U.S. 514 (1888). As this Court concluded in *McLean*, "[e]quity courts will not, in general, refuse an injunction on account of delay in seeking relief, where the proof of infringement is clear." 96 U.S. at 253.

Similarly, even in patent law, where the governing statute has been read as authorizing the defense of laches, laches cannot bar prospective relief or damages for future violations. *Aukerman*, 960 F.2d at 1040-41 (quoting and relying on *Menendez*, 128 U.S. at 523-24).

b. Put another way, courts may not superimpose on the Copyright Act doctrines that effectively forbid injunctive relief. The Copyright Act specifically provides that courts in copyright infringement suits "may . . . grant temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain infringement of a copyright." 17 U.S.C. § 502(a). That is similar to the Patent Act's provision that courts "may grant injunctions in accordance with the principles of equity to prevent the violation of any

right, . . . on such terms as the court deems reasonable." 35 U.S.C. § 283.

These provisions preserve litigants' access to equitable relief under the traditional four-factor test for injunctive relief.[9] As this Court has recognized, these statutory provisions prevent courts from adding categorical barriers to relief. In *eBay*, the district court had adopted rules that, in effect, "categorical[ly] deni[ed] . . . injunctive relief" "in a broad swath of [patent infringement] cases." 547 U.S. at 393-94. Conversely, the court of appeals had adopted rules that, in effect, "categorical[ly] grant[ed] . . . such relief." *Id.* at 394.

This Court rejected both extremes as judicially created rules independent of the statute. The lower courts' categorical rules "cannot be squared with the principles of equity adopted by Congress." *eBay*, 547 U.S. at 393. Injunctions must remain available for patent infringement based on the ordinary four-factor test for injunctive relief, which the statute incorporated by reference. *Id.* at 391-94 (interpreting 35 U.S.C. § 283 (Patent Act) and 17 U.S.C. § 502(a)

---

[9] The four traditional factors for permanent injunctive relief are:

1) Irreparable injury;
2) Inadequacy of remedies at law;
3) The balance of hardships between the parties; and
4) The public interest.

See eBay, 547 U.S. at 391.

(Copyright Act)). And this Court reaffirmed its earlier holding that courts sitting in equity retain "jurisdiction to grant injunctive relief," *even if* "a patent holder . . . has unreasonably declined to use the patent," a claim tantamount to laches. *Id.* at 393 (citing *Cont'l Paper Bag Co.* v. *E. Paper Bag Co.*, 210 U.S. 405, 422-30 (1908)). Concurring, the Chief Justice emphasized that courts have historically granted injunctions "in the vast majority of patent cases," because damages usually are inadequate to enforce the owner's right to exclude. *Id.* at 395.

In this case the Ninth Circuit repeated the error of the district court in *eBay*: it imposed another judicially created rule that is independent of the statute. Its holding does not purport to parse any words in the statute of limitations, but rather trumps them with a nonstatutory doctrine. Its approach to laches categorically forecloses injunctive (and all other) relief, based on a test other than the traditional four-factor test.

Indeed, applying laches would conflict with the four-factor test for injunctive relief. Initially, while laches does not take into account the prejudice suffered by the plaintiff or the public interest (and thus the Ninth Circuit never considered these factors), the four-factor test necessarily does. Therefore, laches would frequently bar injunctions in cases where the four-factor test would permit them. Moreover, the test for laches turns on the length of delay and reason for delay (as well as prejudice to the defendant). But delay in and of itself is not one of the four factors for

injunctive relief, and is neither necessary nor sufficient for any of them. At most, delay is one fact that might affect prejudice, which in turn could bear on the balance of hardships or another injunctive factor. But in applying the four-factor test, a showing of prejudice to a defendant – whether caused by delay or otherwise – will likely affect just the scope and tailoring of the injunction, rather than eliminating permanent injunctive relief as a matter of law, as the Ninth Circuit did.

Instead of applying a distinct laches defense to take injunctive relief off the table as a matter of law, courts should analyze the facts of the case directly under the four-factor injunctive test. Here, that would require the courts below to confront the prejudice that Ms. Petrella would suffer from losing all rights to enforce her copyright against respondents and their successors and assignees for the next thirty-eight years. It would also require them to consider the concrete prejudice respondents would suffer and then tailor any injunction accordingly.[10]

---

[10] Respondents have entered into agreements "to broadcast the Film through 2015." Pet. App. 14a. The Ninth Circuit evidently treated that fact as establishing enough prejudice to respondents to bar Ms. Petrella's suit entirely. Pet. App. 14a-18a. But it failed to weigh that concern against Ms. Petrella's ownership interest in her copyright, which extends 36 years past 2015, or to consider tailoring injunctive relief to accommodate existing commercial arrangements.

c. The Ninth Circuit's rule deprives copyright owners of their right to exclude. If laches were available to cut off all remedies – not just for past infringements but also for future ones – it would amount to a permanent, compulsory license. The copyright holder could still use the work and keep third parties from infringing it, but the alleged infringer in effect would receive a forced license to exploit the copyright until the end of its term, which may now last for a century or more. *See* 17 U.S.C. § 302. And the license would cost the infringer *nothing*.

Granting infringers even a nonexclusive license would contravene the statutory limits on compulsory licenses. Those provisions of the Act authorizing compulsory licenses reflect a series of legislative bargains that courts may not revise.[11] Licensing provisions

---

[11] The Act provides for limited, specified circumstances in which copyright holders can be forced to allow others to use their copyrighted works. These compulsory licenses, however, mostly involve broadcasters' abilities to rebroadcast existing content, where one-on-one licensing negotiations would not be feasible due to the transaction costs of finding and negotiating with thousands of copyright holders for small sums. *See, e.g.*, *WPIX, Inc.* v. *ivi, Inc.*, 691 F.3d 275, 281 (2d Cir. 2012), *cert. denied*, 133 S. Ct. 1585 (2013); *Cablevision Sys. Dev. Co.* v. *Motion Picture Ass'n of Am.*, 836 F.2d 599, 602 (D.C. Cir. 1988). They do not involve rights in screenplays, motion pictures, or other one-time transactions in which a publisher or user has always been expected to negotiate directly with the copyright holder concerning the specific rights sought. And all but one of them require the licensee to pay a royalty to the licensor. *See* 17 U.S.C. §§ 111(d)(1) (broadcast programming syndication by cable), 114(e)(1) (services transmitting sound recordings), 115(c) (musical records),

(Continued on following page)

designed to handle mass licensing in response to high search costs do not apply to copyrights transferred by one-on-one negotiation between an individual screenplay author and a large movie studio, or the later interaction between the studio and the author's heir. Provisions that conspicuously omit motion pictures cannot be stretched to cover movies. And provisions that require royalty payments cannot authorize zero-dollar licenses.[12]

118(b) (public noncommercial broadcasting of pictures and music), 119(b)(1)(B) (satellite television retransmission); *see also id.* § 405(b) (requiring royalty for innocent infringement by omission of a copyright notice). *Cf.* 17 U.S.C. § 122(c) (no royalty required for secondary satellite transmission of local or low-power television broadcasting).

[12] Some authorities allow defendants to claim that plaintiffs have granted them implied licenses. Assuming *arguendo* that implied licenses are consistent with Congress's enumeration of specific licensing provisions, they require proof of the licensor's intent and affirmative conduct. *See Baisden* v. *I'm Ready Prods., Inc.*, 693 F.3d 491, 500 (5th Cir. 2012). Courts narrowly limit the implied license doctrine to circumstances where the licensor created a work at the request of the licensee, gave the work to the licensee, and did so intending that the licensee would copy and distribute the work. *Effects Assocs., Inc.* v. *Cohen*, 908 F.2d 555, 558-59 (9th Cir. 1990). Such an implied license, when not supported by consideration, is revocable. 3-10 NIMMER ON COPYRIGHT §§ 10.01[C][5], 10.02[B][5]. Moreover, as this Court has held in trademark law, "[w]here consent by the owner to the use of his [rights] by another is to be inferred from his knowledge and silence merely, it lasts no longer than the silence from which it springs. It is, in reality, no more than a revocable license." *Menendez*, 128 U.S. at 524 (internal quotation marks omitted).

Here, Ms. Petrella never manifested approval of respondents' use of the copyrighted work or did anything that could

(Continued on following page)

2. *The Ninth Circuit's Approach Creates a Bevy of Perplexing Problems.* Allowing laches to bar injunctions would raise a host of knotty problems better left to Congress. Under the Ninth Circuit's holding, do respondents have the right to remaster *Raging Bull* in new media formats, or to repackage it with outtakes, reminiscences, or new director's cuts? Do respondents now have the right to film a remake of *Raging Bull*? Could they use protected elements of *Raging Bull* to make a new work, such as a sequel, a Broadway play, or a television series incorporating flashbacks to the original? Could they sell their rights in *Raging Bull* to another studio, to exploit the existing film or make new works incorporating it? May they exploit all these rights until Ms. Petrella's copyright expires in 2051, or only until they have recouped their expenditures or expectations?

These problems are intractable. If laches were added to the requirements for filing suit, courts would have to resolve these problems without any statutory guidance at all. Not one of them is raised by applying the statute of limitations as enacted by Congress, which is the only appropriate measure of the timeliness of a suit under the Copyright Act.

3. *Barring Injunctive Relief Would Give Infringers a Disproportionate Remedy.* Granting compulsory

---

have been construed as granting a license. Even if she had, her attorneys' letters, beginning in 1998, would have sufficed to revoke any gratuitous consent.

licenses would often give an infringer windfalls completely out of proportion to his expenditures. The breadth of a compulsory, uncompensated license may bear no relationship to the amount of prejudice, if any, he has suffered. A defendant may claim prejudice based on expenditures in creating, marketing, and distributing a film. But granting a compulsory license may over- or under-compensate the defendant. Appropriate compensation depends on how much the work is worth, how many years remain in the copyright term, and whether the defendant has already recouped its expenditures. These factors are fortuitous, not calibrated to any prejudice suffered. As the separate accrual rule reflects, retrospective considerations should not automatically foreclose all prospective relief.

Here, for instance, MGM was aware of Ms. Petrella's potential claims by the time she renewed her father's copyright in 1991. Pet. App. 9a. MGM's counsel admitted that they had reviewed her claims when this Court decided *Stewart* in 1990. JA 128. In 1998, 1999, and 2000, Ms. Petrella's lawyer repeatedly reminded respondents of her claims, as counsel for both sides disputed whether respondents had the right to continue exploiting the film. JA 125-35, 257-67; Pet. App. 5a-6a. Nevertheless, between 1991 and 2009, respondents spent $8.5 million on *Raging Bull*, "earned a substantial profit" on these interim expenditures, and "allege[dly] would not have done anything different, or been in any better position, had the suit been filed sooner." Pet. App. 14a-15a; *see* Pet. App. 13a.

The court of appeals' decision, which effectively granted respondents an involuntary license to exploit *Raging Bull* for *nearly half a century* – for free, no less – is an excessive penalty for Ms. Petrella's delay in filing suit. It grants respondents a huge windfall, out of all proportion to their expenditures.

B. Laches Does Not Bar Relief at Law

Laches cannot bar the monetary remedies provided by § 504 for two independent reasons. First, Congress struck a balance on the issue of damages, letting infringers deduct various expenses and limiting recovery to the three years before suit was filed. Laches must not upset this balance. Second, as a defense traditionally confined to equity, laches cannot limit relief at law.

1. *Congress Carefully Specified Limits on Monetary Relief.* Laches is unnecessary to protect copyright defendants' expenditures because Congress has already taken infringers' interests into account by limiting monetary relief for infringement. Plaintiffs who succeed in proving copyright infringement may recover actual damages and profits attributable to the infringement. 17 U.S.C. § 504(b). But infringers may deduct their related expenses in calculating profits. *Id.* Courts interpret deductible expenses broadly to include costs as diverse as overhead and income tax on gross revenues. 5-14 NIMMER ON COPYRIGHT § 14.03[C][1]-[3]. That disposes of respondents'

concern that they have incurred promotion, marketing, and distribution expenses. Opp. 13.

Additionally, the process of apportioning any profits attributable to factors other than the copyrighted work gives courts flexibility to compensate defendants. 17 U.S.C. § 504(b). For instance, courts can consider defendants' foregone profits and intangible investments, including their decisions to put some projects ahead of others. Courts can likewise consider defendants' global distribution networks when they allocate profits, if those systems make works far more profitable than they would have been otherwise. *Id.*; *e.g.*, *Sheldon* v. *Metro-Goldwyn Pictures Corp.*, 309 U.S. 390, 407 (1940); *see also Rogers* v. *Koons*, 960 F.2d 301, 313 (2d Cir. 1992). This profits calculation protects defendants who have invested in infringing works against being put in a worse financial position than if they had never made the expenditures.

In lieu of actual damages, copyright holders may be awarded statutory damages of between $750 and $30,000 for all infringements "as the court considers just." 17 U.S.C. § 504(c)(1). Courts may raise the ceiling as high as $150,000 for willful infringements. *Id.* § 504(c)(2). As with actual damages, courts retain wide discretion in calculating statutory damages. *See F.W. Woolworth Co.*, v. *Contemporary Arts, Inc.*, 344 U.S. 228, 232 (1952); *L.A. Westermann Co.* v. *Dispatch Printing Co.*, 249 U.S. 100, 106-07 (1919). Accordingly, they may take infringers' expenses and other deductions into account in reducing statutory damages.

Congress also determined that three years is a fair and equitable period to reach back for liability and damages. The three-year limit is particularly reasonable because most infringers are on notice that they are infringing. In this case, respondents actually knew of Ms. Petrella's potential claims by 1991. JA 128; Pet. App. 9a. In many other cases, registration or renewal of the copyright will put the infringer on notice. And where an infringer proves that he neither knew nor had reason to know that he was infringing a copyright, courts have discretion to reduce statutory damages to a sum as low as $200. 17 U.S.C. § 504(c)(2).

2. *Laches Cannot Bar Actions or Remedies at Law.* Laches is an equitable defense traditionally limited to equitable causes of action and remedies. As such, unless a statute provides otherwise, laches cannot bar or limit actions or relief at law, such as damages for copyright infringement.[13]

Actions seeking monetary relief for copyright infringement are actions at law, for remedies at law. Section 504 specifies that those legal remedies include actual damages, statutory damages, profits, and double royalties in some circumstances. 17 U.S.C. § 504; *see Feltner* v. *Columbia Pictures Television, Inc.*, 523 U.S. 340, 351-52 (1998) (holding that

---

[13] "Notwithstanding the fusion of law and equity by the Rules of Civil Procedure, the substantive principles of Courts of Chancery remain unaffected." *Stainback* v. *Mo Hock Ke Lok Po*, 336 U.S. 368, 382 n.26 (1949).

copyright infringement actions for statutory damages are actions at law seeking remedies at law); *Dairy Queen, Inc.* v. *Wood*, 369 U.S. 469, 477 (1962) (same, for profits from trademark infringement); *Sid & Marty Krofft Television Prods., Inc.* v. *McDonald's Corp.*, 562 F.2d 1157, 1175 (9th Cir. 1977) (applying *Dairy Queen* to profits from copyright infringement); 6 PATRY ON COPYRIGHT § 22:149.

"Though a good defense in equity, laches is no defense at law." *Abraham* v. *Ordway*, 158 U.S. 416, 423 (1895) (quoting *Wehrman* v. *Conklin*, 155 U.S. 314, 326 (1894)). It does not matter how long the plaintiff at law waits, so long as he brings suit within the statutory limitations period. "[C]omplainants cannot avail themselves, as a matter of law, of the laches of the plaintiff in" bringing suit. *Wehrman*, 155 U.S. at 326. "[E]quity, in the absence of any statute of limitations made applicable to equity suits, has provided its own rule of limitations through the doctrine of laches . . . . " *Russell*, 309 U.S. at 287. But "application of the equitable defense of laches in an action at law would be novel indeed." *Cnty. of Oneida* v. *Oneida Indian Nation*, 470 U.S. 226, 244 n.16 (1985).[14]

---

[14] In their brief in opposition, respondents attempt to distinguish *Russell* and *County of Oneida* as resting upon "the intersection between laches and *sovereignty*." Opp. 10-11 (emphasis in original). But the reasoning of these cases relies not on sovereignty, but on the limits on the role of "equity, in the absence of any statute of limitations." *Russell*, 309 U.S. at 287.

III. Precluding the Defense of Laches Would Have Salutary Consequences

No countervailing policy concerns compel this Court to disregard the separation of powers and the Copyright Act's text, background principles, legislative history, and policy goals. On the contrary, barring laches would further Congress's goals and the proper enforcement of the Copyright Act. By specifically authorizing the *Stewart* renewal right, Congress deliberately elevated protection of heirs' interests in a copyright over potential deterioration of evidence concerning the original copyright. Besides, other rules and practices suffice to mitigate evidentiary prejudice. Because copyright litigation typically turns on the factfinder's own analysis of documents on file with the Copyright Office, there is little risk that key evidence will be lost. To the best of our knowledge, circuits that have precluded or restricted the availability of laches have not seen a flood of stale or fraudulent claims.

In order to avoid laches, moreover, copyright holders would have to bring suit prematurely and more often, perhaps by enlisting so-called copyright trolls. That would breed excessive litigation. Laches would also undercut the Copyright Act's goals of clarity and predictability, increasing litigation costs. And other doctrines, such as equitable estoppel, adequately guard against abuse of the copyright laws.

A. Laches Is Unnecessary to Guard Against Evidentiary Prejudice

1. *Congress Chose to Allow* Stewart *v.* Abend *Renewal Claims Despite Passage of Time and Death of the Key Witness*. Allowing evidentiary concerns to trump heirs' copyrights, as the district court did here, runs counter to the Act's structure and manifest policy. Congress made specific provision for authors' heirs to claim the reversionary right recognized by *Stewart*. By its nature, that right cannot vest until decades after the creation of the work, and *after* the likely key witness, the author, has died. Congress must have been aware that the passage of time and author's death could create evidentiary issues, but it subordinated concerns about evidentiary prejudice to the rights of heirs.

As *Stewart* held, if an author dies before his copyright is eligible for renewal, his heirs inherit the renewal right free of any previous assignment. 495 U.S. at 217-20. Congress specifically adopted this policy to give the family of "the author a second chance to obtain fair remuneration" and "'to provide for the family of the author after his death.'" *Id.* at 220, 218 (quoting *De Sylva* v. *Ballentine*, 351 U.S. 570, 582 (1956)). For pre-1976 copyrights, such as the ones in *Stewart* and in this case, the initial term was 28 years long. *Eldred*, 537 U.S. at 194.

A *Stewart* claim can never be brought until 28 years after a work was written and copyrighted. And it cannot be brought until the author has become

unavailable to testify, since the author's death is a prerequisite to a *Stewart* claim. If courts are allowed to bar suits because of laches, based on the inevitable degradation of evidence over the course of 28 years (and, in particular, the death of the author), *Stewart* claims will rarely if ever succeed. Indeed, under the district court's rationale, laches would have foreclosed Ms. Petrella's claims even if she had sued in 1991, by which time Mr. Petrella and Book coauthor Joseph Carter had already died, even though many other witnesses remain alive to this day.[15]

Even if courts limited cognizable prejudice to post-renewal delay, the lesson of *Stewart* would remain clear. Congress deliberately chose to accept a substantial delay and potential decay in evidence. *Cf. Eldred*, 537 U.S. 186 (upholding statute lengthening copyright terms to the author's lifetime plus seventy years). It subordinated potential evidentiary

---

[15] That is how laches operated in this case. Respondents argued that they had been prejudiced by the deaths of, among others, Mr. Petrella in 1981 and Mr. Carter in 1984. The district court agreed and applied laches to bar the suit, even though almost all the key witnesses remain alive – even setting aside Jake LaMotta, whose faculties have been questioned, these include Joey LaMotta, director Martin Scorsese, lead actor Robert De Niro, and the two screenwriters. JA 122, 236; Pet. App. 46a. The district court applied laches even though Messrs. Petrella and Carter died long before Ms. Petrella could have renewed the copyright in 1991. It stressed that even if some witnesses remain alive, laches focuses instead on whether others have died. Pet. App. 46a.

prejudice to its policy of giving authors' families a second chance and an inheritance.

2. *Burdens of Proof and Document-Based Adjudication Allay Evidentiary Prejudice.* To the extent that evidentiary prejudice matters, laches is unnecessary to protect copyright defendants against it. As an initial matter, a copyright plaintiff bears the burden of proving infringement. Timely copyright registration provides prima facie evidence of validity but does not establish unauthorized copying, the crux of most infringement suits. To establish that, the plaintiff must also prove copying and improper appropriation. *Sid & Marty Krofft*, 562 F.2d at 1162-64; *Arnstein* v. *Porter*, 154 F.2d 464, 468 (2d Cir. 1946). She must establish that the defendant had access to the work, that he used protected elements from the work, and that the works are substantially similar. 4-13 NIMMER ON COPYRIGHT §§ 13.02, 13.03; *see, e.g.*, *Peter F. Gaito Architecture, LLC* v. *Simone Dev. Corp.*, 602 F.3d 57, 61, 66 (2d Cir. 2010); *Durham Indus., Inc.* v. *Tomy Corp.*, 630 F.2d 905 (2d Cir. 1980); *Sid & Marty Krofft*, 562 F.3d at 1164-65. Only after the plaintiff meets her burden as to each of these elements must the defendant disprove infringement. Thus, any prejudice caused by the unavailability of evidence is more likely to harm plaintiffs than defendants. That is especially true of *Stewart* claims, such as this one, where the key witness – the deceased author – almost certainly would have supported his heir's claim.

a. The nature of copyright litigation makes significant prejudice to either party unlikely. The key

pieces of evidence are the certificate of registration, the original work itself, and the allegedly infringing work. Although copyright attaches as soon as a work is fixed in a tangible medium and registration is "permissive," both the certificate of registration and a copy of the original work must be on file with the Copyright Office before a copyright owner may bring a civil infringement action. 17 U.S.C. §§ 408(b), 411(a). Thus, there is almost no risk that the crucial evidence will be missing. The registration mechanism reduces the importance of extrinsic evidence and minimizes the risk that delay will cause material evidentiary prejudice.

b. Copyright adjudication relies primarily on the factfinder's direct comparison of the original and infringing works. Where a work has been published or disseminated, the defendant's access to and ability to copy it are unlikely to be major impediments. The key issue becomes substantial similarity. Proof of substantial similarity hinges mainly on the "average lay observer['s]" perception of how closely the alleged copy resembles the original copyrighted work, occasionally supplemented in part by expert dissection of any unprotectable elements. *Peter F. Gaito Architecture*, 602 F.3d at 66; *Durham Indus.*, 630 F.2d at 911; *see* ROBERT C. OSTERBERG & ERIC C. OSTERBERG, SUBSTANTIAL SIMILARITY IN COPYRIGHT LAW 3-4 to 3-5 (2003). The comparison relies on the factfinder's "good eyes and common sense" to compare the two works' "total concept and overall feel." *Peter F. Gaito Architecture*, 602 F.3d at 66 (internal quotation marks omitted).

Factfinders can compare the works themselves, without fact witness testimony or other historical evidence, further reducing the risk of evidentiary prejudice.[16]

c. If evidentiary prejudice were a serious problem, one would expect to see a flood of stale claims in the five circuits that disallow laches (entirely or partially) or restrict it to rare cases. *See* Pet. 16-22 (collecting cases). Yet we are unaware of any such problem in those circuits.

B. Laches Risks Breeding Excessive, Costly Litigation and Copyright Trolls

1. *If Laches Can Bar Suits, Copyright Holders May Be More Likely to Challenge Infringements They Might Otherwise Tolerate, Encouraging Needless Litigation and Copyright Trolls.* Allowing laches to bar copyright suits might well, perversely, breed litigation. While one might expect laches to reduce

---

[16] Where delay is a significant factor, finders of fact may take it into account in weighing the evidence, even if laches is not a threshold bar to suit. As this Court recently reiterated in the habeas context, "[a] court may consider how the timing of the submission and the likely credibility of [a plaintiff's] affiants bear on the probable reliability of . . . evidence." *McQuiggin* v. *Perkins*, 133 S. Ct. 1924, 1935 (2013) (quoting *Schlup* v. *Delo*, 513 U.S. 298, 332 (1995)). Courts naturally view belated claims of newly discovered evidence with more suspicion, particularly ones asserted only after the sole witnesses to the contrary have died. *Id.* at 1935-36; *see Herrera* v. *Collins*, 506 U.S. 390, 417-18 (1993). But evidentiary concerns should go to the weight of the evidence, not to its admissibility.

litigation by foreclosing suit *ex post*, the likely result *ex ante* is more copyright litigation, not less. Owners would likely challenge infringements prematurely to avoid laches' bar.

Copyright owners do not challenge all actionable copyright infringements. Sometimes, they choose to wait and see whether an infringement undercuts the value of the original, has no effect, or complements it. Fan sites and fan fiction, for instance, may complement a book or movie. Tim Wu, *Tolerated Use*, 31 COLUM. J.L. & ARTS 617, 619-20 (2008). Even if an infringement is harmful, the harm may be too small to justify the cost of litigation, at least for the time being. Under the statute of limitations, the copyright holder may wait and see whether enforcement is necessary. *Cf.* Pet. App. 11a.

If laches barred suit, however, owners could not risk waiting. Even if an infringement was not currently harmful, they would have to speak now or forever hold their peace. Though owners might otherwise delay suit to avoid litigation costs, courts could accuse them of waiting to profit from infringers' expenditures, as the Ninth Circuit did here. Pet. App. 11a. Owners would thus have to challenge innocuous infringements in court lest those infringements grow and cause harm in the future. Even cease-and-desist letters, like the ones sent by Ms. Petrella's counsel between 1998 and 2000, would not suffice to preserve their rights, according to the decision below, as they supposedly did not preserve Ms. Petrella's.

As a result, newer or less successful authors and artists, without the means to enforce their rights themselves, would often turn to so-called copyright trolls. Trolls' business model depends on purchasing narrow assignments of rights and then suing to recover statutory damages plus attorney's fees. They thus have systematic incentives to overenforce copyrights. Shyamkrishna Balganesh, *The Uneasy Case Against Copyright Trolls*, 86 S. CAL. L. REV. 723, 753-68 (2013). Laches would make this problem worse.

2. *Laches Would Undermine Copyright Law's Fundamental Goals of Clarity and Predictability*. In addition to spurring overenforcement and trolling, laches would drive up litigation costs because it is a muddy, fact-specific standard that requires litigation to sort out. "[L]ike any property right," a copyright's "boundaries should be clear." *Festo Corp.* v. *Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 730 (2002) (patent case). "This clarity is essential to promote progress, because it enables efficient investment in" new works. *Id.* at 730-31. It also reduces owners' and users' uncertainty and fears of litigation and so increases works' marketability. Thus, "it is peculiarly important that the boundaries of copyright law be demarcated as clearly as possible." *Fogerty* v. *Fantasy, Inc.*, 510 U.S. 517, 527 (1994).

The corollary of clarity is predictability. The "paramount goal" of the 1976 Copyright Act was to "enhanc[e] predictability and certainty of copyright ownership." *Cmty. for Creative Non-Violence* v. *Reid*, 490 U.S. 730, 749 (1989) (citing H.R. REP. NO.

94-1476, at 129). Predictability encourages and rewards the creation and dissemination of ideas, which is another key aim of copyright law. *See Golan* v. *Holder*, 132 S. Ct. 873, 888-89 (2012). When property rights are predictable, there is less need to litigate. Owners, secure in their title, are encouraged to create and distribute works freely.

Congress enacted a clear, predictable rule of timeliness: the statute of limitations guarantees owners three years to sue from the date of each infringement. Laches clouds this pellucid rule. Upon Congress's simple legal rule, laches requires judges to superimpose a fact-intensive, multi-factor balancing test. Instead of crystallizing a right that is predictable *ex ante*, the defense forces parties to litigate *ex post*.

As a matter of course, case-by-case outcomes will vary widely. Respondents admit that: "varying outcomes . . . will always result from abuse-of-discretion review of district court's [*sic*] application of flexible equitable doctrines." Opp. 20. These variations necessarily undercut copyright law's clarity and predictability, raising litigation costs and uncertainty and impeding settlement. Congress may sometimes choose to trade off clarity in pursuit of other goals. *See, e.g.*, 17 U.S.C. § 107 (setting forth a four-factor balancing test for the fair use defense to copyright infringement). But where Congress has deliberately enacted a clear, predictable rule, courts must not muddy it.

C. Equitable Estoppel Is Available to Protect Against Financial Prejudice

While the Ninth Circuit thought laches necessary to protect against financial prejudice, equitable estoppel suffices to guard against affirmative, intentional wrongdoing that causes loss. Though courts' verbal formulae vary slightly, equitable estoppel has four basic prerequisites: (1) the party to be estopped must know the true facts; (2) he must act or "make[ ] a misrepresentation of fact to another party with reason to believe that the other party will rely on it;" (3) the innocent party must not know the true facts; and (4) he must detrimentally rely on the action or misrepresentation. *Marvel Characters, Inc.* v. *Simon*, 310 F.3d 280, 292 (2d Cir. 2002); *Hampton* v. *Paramount Pictures Corp.*, 279 F.2d 100, 104 (9th Cir. 1960); Pet. App. 26a.

Equitable estoppel is an affirmative defense that may bar plaintiffs' copyright claims completely, eliminating all potential remedies. 4-13 NIMMER ON COPYRIGHT § 13.07[A]; 6 PATRY ON COPYRIGHT § 20:58. Its name is no longer quite accurate, as equitable estoppel has been applied at law for more than a century. Equitable estoppel "has long since 'worked over' into law," so it "affects not only equitable remedies, but also legal remedies." 1 DAN B. DOBBS, LAW OF REMEDIES: DAMAGES – EQUITY – RESTITUTION § 2.3(5), at 86 (2d ed. 1993); *see Wehrman*, 155 U.S. at 327 (recognizing a claim of "equitable estoppel" at law because "an estoppel *in pais* was an available defense to an action at law.") (citing cases, including *Dickerson* v. *Colgrove*,

100 U.S. (10 Otto) 578, 582-84 (1879)); 4-13 NIMMER ON COPYRIGHT § 13.07[A]; 6 PATRY ON COPYRIGHT § 20:58.

As Judge Fletcher's concurrence below notes, the test for equitable estoppel is substantially more stringent than the test for laches. For estoppel to bar a suit, the copyright owner must actually know of the defendant's infringement, affirmatively mislead the defendant, and inflict actual harm. Laches, by contrast, requires no affirmative act, no knowledge, and no detrimental reliance. Pet. App. 26a-27a. It protects even defendants on notice of the plaintiff's claims, such as respondents, so long as they are not "deliberate pirate[s]." Pet. App. 25a, 27a (internal quotation marks omitted). Even though respondents willfully continued their infringements, fully aware of Ms. Petrella's claims, the Ninth Circuit let their laches claim succeed. Pet. App. 18a n.4.

To justify laches as a defense to copyright infringement, the decision below rested on a circuit precedent, *Danjaq*, which in turn invoked Judge Learned Hand's early decision in *Haas*. Pet. App. 7a-8a (citing *Danjaq LLC* v. *Sony Corp.*, 263 F.3d 942, 950-51 (9th Cir. 2001) (citing *Haas* v. *Leo Feist, Inc.*, 234 F. 105, 108 (S.D.N.Y. 1916)). *Danjaq* misread *Haas* as recognizing laches as a defense to copyright infringement. 263 F.3d at 951. Not only did Judge Hand decide *Haas* long before Congress added a statute of limitations to the Copyright Act in 1957, but also he was discussing equitable estoppel, not laches. His oft-quoted passage addressed a copyright owner who had "full notice of an intended infringement" and induced detrimental reliance to "avail[ ] himself" of

the infringer's expenditures over time. *Haas*, 234 F. at 108. Knowledge and detrimental reliance are required for equitable estoppel but not for laches. Thus, in his concurrence below, Judge Fletcher correctly described the passage from *Haas* as "a classic invocation of equitable estoppel." Pet. App. 25a.

The difference between the two defenses is apparent in this case. Ms. Petrella did and said nothing to mislead respondents about her rights or induce detrimental reliance. On the contrary, she repeatedly pressed her claims in negotiations. Respondents were never ignorant of her potential claims; they knew of them by 1991, when Ms. Petrella renewed the copyright. JA 128; Pet. App. 9a. They "earned a substantial profit" over and above their expenditures since 1991. Pet. App. 14a-15a. And, Ms. Petrella has contended, they "would not have done anything different, or been in any better position, had the suit been filed sooner." Pet. App. 15a. Yet the Ninth Circuit dismissed respondents' profit and lack of detrimental reliance as irrelevant to laches, even though it would have precluded an estoppel. Pet. App. 14a-15a, 27a. As these facts illustrate, equitable estoppel is tailored more narrowly than laches to catch only intentional, affirmative wrongdoing that causes loss.[17]

---

[17] Similarly, a plaintiff's affirmative, serious misconduct may trigger the defense of unclean hands. 4-13 NIMMER ON COPYRIGHT § 13.09[B]; 6 PATRY ON COPYRIGHT § 17:127. And a plaintiff's deliberate, overt act of abandonment may also support the defense of abandonment. 4-13 NIMMER ON COPYRIGHT § 13.06; 6 PATRY ON

(Continued on following page)

Estoppel is a well-established background principle at law against which Congress legislated when it enacted the statute of limitations for copyright infringement claims. It requires no proof of delay. Even though it may involve delay, its gravamen is wrongdoing, overt action, and loss, whereas laches focuses on timeliness. Thus, while laches is redundant of and supplanted by statutes of limitations, the defense of estoppel remains to target misconduct and overt action more precisely.

CONCLUSION

The decision of the court of appeals should be reversed.

Respectfully submitted,

GLEN L. KULIK
KULIK GOTTESMAN & SIEGEL LLP
15303 Ventura Boulevard
Suite 1400
Sherman Oaks, CA 91403
(310) 557-9200

STEPHANOS BIBAS
Counsel of Record
JAMES A. FELDMAN
NANCY BREGSTEIN GORDON
UNIVERSITY OF PENNSYLVANIA LAW SCHOOL
SUPREME COURT CLINIC
3501 Sansom Street
Philadelphia, PA 19104
(215) 746-2297
sbibas@law.upenn.edu

November 15, 2013

COPYRIGHT § 5:155. Unlike laches, both defenses require an overt act, and neither requires proof of delay as an element.

RESPONDENT'S BRIEF

RECORD
AND
BRIEFS

DEC 15 2013

No. 12-1315

IN THE
Supreme Court of the United States

PAULA PETRELLA,
Petitioner,

v.

METRO-GOLDWYN-MAYER INC., ET AL.,
Respondents.

On Writ Of Certiorari
To The United States Court Of Appeals
For The Ninth Circuit

BRIEF FOR RESPONDENTS

MARK A. PERRY
Counsel of Record
THEODORE B. OLSON
G. BRINTON LUCAS
LINDSAY S. SEE
GIBSON, DUNN & CRUTCHER LLP
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036
(202) 955-8500
mperry@gibsondunn.com

JONATHAN ZAVIN
WOOK HWANG
LOEB & LOEB LLP
345 Park Avenue
New York, New York 10154
(212) 407-4000

DAVID GROSSMAN
ROBERT J. CATALANO
LOEB & LOEB LLP
10100 Santa Monica Boulevard
Los Angeles, California 90067
(310) 282-2000

BLAINE H. EVANSON
GIBSON, DUNN & CRUTCHER LLP
333 South Grand Avenue
Los Angeles, California 90071
(213) 229-7228

Counsel for Respondents

Library of Congress
Law Library

QUESTION PRESENTED

Whether the court of appeals correctly concluded that the district court did not abuse its discretion in dismissing petitioner's entire claim for copyright infringement pursuant to the equitable defense of laches.

PARTIES TO THE PROCEEDING AND RULE 29.6 STATEMENT

MGM Holdings Inc. is the ultimate parent company of: Metro-Goldwyn-Mayer Inc.; Metro-Goldwyn-Mayer Studios Inc.; Metro-Goldwyn-Mayer Home Entertainment LLC; Metro-Goldwyn-Mayer Home Entertainment Distribution Corp.; and United Artists Corp.

Twentieth Century Fox Home Entertainment LLC is a wholly owned subsidiary of Twenty-First Century Fox, Inc., a publicly traded corporation organized under the laws of Delaware. No publicly traded corporation other than Twenty-First Century Fox, Inc. owns 10% or more of the stock of Twentieth Century Fox Home Entertainment LLC.

TABLE OF CONTENTS

Page

STATEMENT 1

SUMMARY OF ARGUMENT 7

ARGUMENT 11

I. FEDERAL COURTS MAY PROPERLY APPLY THE LACHES DEFENSE IN COPYRIGHT CASES 11

A. Federal Courts Have The Inherent Equitable Power To Apply Laches In All Civil Actions 14

B. Congress Intended That Federal Courts Would Apply Laches In Copyright Cases 22

II. THE LOWER COURTS PROPERLY APPLIED THE LACHES DEFENSE IN THIS CASE 35

A. Laches May Bar An Entire Claim Regardless Of The Relief Sought 35

B. Petitioner's Entire Claim Is Barred By Her Unreasonable Delay And The Resulting Prejudice 46

CONCLUSION 55

TABLE OF APPENDICES

17 U.S.C. § 507 ..... 1a
Act of March 3, 1915, ch. 90, 38 Stat. 956 ..... 1a
Act of June 19, 1934, ch. 651, 48 Stat. 1064 ..... 3a
Federal Rule of Civil Procedure 2 ..... 4a
Federal Rule of Civil Procedure 8 ..... 5a

TABLE OF AUTHORITIES

Page(s)

CASES

A.C. Aukerman Co. v. *R.L. Chaides Constr. Co.*,
960 F.2d 1020 (Fed. Cir. 1992) 28, 39, 40

Abbott Labs. v. *Gardner*,
387 U.S. 136 (1967).....18, 45

Agency Holding Corp. v. *Malley-Duff & Assocs.*,
483 U.S. 143 (1987).....21

Allore v. *Jewell*,
94 U.S. 506 (1876).....52

Alsop v. *Riker*,
155 U.S. 448 (1894).....17

Aristocrat Techs. Austl. Pty Ltd. v. *Int'l Game Tech.*,
543 F.3d 657 (Fed. Cir. 2008) 28

Ashley v. *Boyle's Famous Corned Beef Co.*,
66 F.3d 164 (8th Cir. 1995).....34

Astoria Fed. Sav. & Loan Ass'n v. *Solimino*,
501 U.S. 104 (1991).....23

Atl. Marine Constr. Co. v. *U.S. Dist. Court*,
No. 12-929 (U.S. Dec. 3, 2013).....46

Badger v. *Badger*,
69 U.S. (2 Wall.) 87 (1865).....38

Bailey v. *Glover*,
88 U.S. (21 Wall.) 342 (1874).....23, 26

Baxter v. *Curtis Indus., Inc.*,
201 F. Supp. 100 (N.D. Ohio 1962).....31, 32

Bay Area Laundry & Dry Cleaning Pension Trust Fund v. *Ferbar Corp. of Cal.*, 522 U.S. 192 (1997) 33

Benedict v. *City of New York*, 250 U.S. 321 (1919) 36

Black v. *Cutter Labs.*, 351 U.S. 292 (1956) 53

Brown v. *Cnty. of Buena Vista*, 95 U.S. 157 (1877) 16, 50

Brown v. *Swann*, 35 U.S. (10 Pet.) 497 (1836) 24

California v. *Am. Stores Co.*, 495 U.S. 271 (1990) 33, 37

Callaghan v. *Myers*, 128 U.S. 617 (1888) 7, 12

Campbell v. *Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994) 45

Cayuga Indian Nation of N.Y. v. *Pataki*, 413 F.3d 266 (2d Cir. 2005) 40

Chase Sec. Corp. v. *Donaldson*, 325 U.S. 304 (1945) 15

Chirco v. *Crosswinds Cmtys., Inc.*, 474 F.3d 227 (6th Cir. 2007) 13

City of New York v. *Pine*, 185 U.S. 93 (1902) 12

City of Sherrill, N.Y. v. *Oneida Indian Nation of N.Y.*, 544 U.S. 197 (2005) 36

Cnty. of Oneida, N.Y. v. *Oneida Indian Nation of N.Y.*, 470 U.S. 226 (1985) 41

Cooper v. *Mattheys*,
6 F. Cas. 482 (C.C.E.D. Pa. 1842) (No. 3,200).....12

Costello v. *United States*,
365 U.S. 265 (1961).....7, 11, 46

Curtis v. *Loether*,
415 U.S. 189 (1974).....41

Cutter v. *Wilkinson*,
544 U.S. 709 (2005).....35

Czaplicki v. *The Hoegh Silvercloud*,
351 U.S. 525 (1956).....13

D.O. Haynes & Co. v. *Druggists' Circular*,
32 F.2d 215 (2d Cir. 1929).....13

Dairy Queen, Inc. v. *Wood*,
369 U.S. 469 (1962).....41

Dandridge v. *Williams*,
397 U.S. 471 (1970).....50

Danjaq LLC v. *Sony Corp.*,
263 F.3d 942 (9th Cir. 2001).....5, 13, 32, 38

Davis v. *Blige*,
505 F.3d 90 (2d Cir. 2007).....4

eBay Inc. v. *MercExchange, L.L.C.*,
547 U.S. 388 (2006).....10, 29, 37, 44, 45

Edwin L. Wiegand Co. v. *Harold E. Trent Co.*,
122 F.2d 920 (3d Cir. 1941).....13

Egner v. *E.C. Schirmer Music Co.*,
48 F. Supp. 187 (D. Mass. 1942).....13

Enelow v. *N.Y. Life Ins. Co.*,
293 U.S. 379 (1935).....39, 40

Evergreen Safety Council v. *RSA Network Inc.*,
697 F.3d 1221 (9th Cir. 2012).....32

Feltner v. *Columbia Pictures Television, Inc.*,
523 U.S. 340 (1998) 41, 42, 43

Ford Motor Co. v. *EEOC*,
458 U.S. 219 (1982) 50

Gabelli v. *SEC*,
133 S. Ct. 1216 (2013) 27

Galliher v. *Cadwell*,
145 U.S. 368 (1892) 16

Gardner v. *Pan. R.R. Co.*,
342 U.S. 29 (1951) 16, 35, 37, 54

Glus v. *Brooklyn E. Dist. Terminal*,
359 U.S. 231 (1959) 24

Godden v. *Kimmell*,
99 U.S. 201 (1879) 29

Goodman v. *Lukens Steel Co.*,
482 U.S. 656 (1987) 46

Graham Cnty. Soil & Water Conservation Dist. v. *U.S. ex rel. Wilson*,
545 U.S. 409 (2005) 31

Graver Tank Mfg. Co. v. *Linde Air Prods. Co.*,
336 U.S. 271 (1949) 53

Grupo Mexicano de Desarrollo, S.A. v. *Alliance Bond Fund, Inc.*,
527 U.S. 308 (1999) 15

Gulfstream Aerospace Corp. v. *Mayacamas Corp.*,
485 U.S. 271 (1988) 13, 40, 42

Haas v. *Leo Feist, Inc.*,
234 F. 105 (S.D.N.Y. 1916) 13, 44, 48, 49

Harrison v. *PPG Indus., Inc.*,
446 U.S. 578 (1980).....30

Hecht Co. v. *Bowles*,
321 U.S. 321 (1944).....27

Hoehling v. *Universal City Studios, Inc.*,
618 F.2d 972 (2d Cir. 1980).....4

Holland v. *Florida*,
130 S. Ct. 2549 (2010).....24

Holmberg v. *Armbrecht*,
327 U.S. 392 (1946).....15, 16, 19, 23, 25, 37

Irwin v. *Dep't of Veterans Affairs*,
498 U.S. 89 (1990).....26

Isbrandtsen Co. v. *Johnson*,
343 U.S. 779 (1952).....23

Kirk v. *Hamilton*,
102 U.S. 68 (1880).....42

Klehr v. *A.O. Smith Corp.*,
521 U.S. 179 (1997).....33

Knowles v. *Mirzayance*,
556 U.S. 111 (2009).....51

Koster v. *(Am.) Lumbermens Mut. Cas. Co.*,
330 U.S. 518 (1947).....46

Lampf, Pleva, Lipkind, Prupis & Petigrow
v. *Gilbertson*,
501 U.S. 350 (1991).....27

Lane & Bodley Co. v. *Locke*,
150 U.S. 193 (1893).....12, 28, 45

Lawrence v. *Dana*,
15 F. Cas. 26 (C.C.D. Mass. 1869) (No. 8,136)....12

Ledbetter v. *Goodyear Tire & Rubber Co.*,
550 U.S. 618 (2007) 18

Lyons P'ship, L.P. v. *Morris Costumes, Inc.*,
243 F.3d 789 (4th Cir. 2001) 14, 21

Maksym v. *Loesch*,
937 F.2d 1237 (7th Cir. 1991) 39, 40, 41

Marx v. *Gen. Revenue Corp.*,
133 S. Ct. 1166 (2013) 27

McCabe v. *Matthews*,
155 U.S. 550 (1895) 48

McKnight v. *Taylor*,
42 U.S. (1 How.) 161 (1843) 8, 17, 36

McLean v. *Fleming*,
96 U.S. 245 (1877) 12, 29, 36, 44, 45

McQuiddy v. *Ware*,
87 U.S. (20 Wall.) 14 (1874) 26

Menendez v. *Holt*,
128 U.S. 514 (1888) 36, 44, 45

Merck & Co. v. *Reynolds*,
559 U.S. 633 (2010) 28, 41, 42

Mertens v. *Hewitt Assocs.*,
508 U.S. 248 (1993) 43

Miller v. *French*,
530 U.S. 327 (2000) 23

Miller v. *Glenn Miller Prods., Inc.*,
454 F.3d 975 (9th Cir. 2006) 53

Muskrat v. *Unites States*,
219 U.S. 346 (1911) 42

N. Pac. Ry. Co. v. *Boyd*,
228 U.S. 482 (1913) 16, 25

Nat'l R.R. Passenger Corp. v. *Morgan*,
536 U.S. 101 (2002) 8, 9, 14, 16, 18, 19, 25, 31, 34, 35, 36, 40, 47

Neder v. *United States*,
527 U.S. 1 (1999) 53

New Era Publ'ns Int'l, ApS v. *Henry Holt & Co.*,
873 F.2d 576 (2d Cir. 1989) 13

Nicholas v. *United States*,
257 U.S. 71 (1921) 12, 18

Norris v. *United States*,
257 U.S. 77 (1921) 18

O'Brien v. *Wheelock*,
184 U.S. 450 (1902) 22

Pace v. *DiGuglielmo*,
544 U.S. 408 (2005) 26

Patterson v. *Hewitt*,
195 U.S. 309 (1904) 8, 12, 18

Piatt v. *Vattier*,
34 U.S. (9 Pet.) 405 (1835) 12

Planing-Mach. Co. v. *Keith*,
101 U.S. 479 (1880) 29

Pub. Schs. v. *Walker*,
76 U.S. (9 Wall.) 282 (1869) 15

Repp v. *Webber*,
132 F.3d 882 (2d Cir. 1997) 38

Riddlesbarger v. *Hartford Ins. Co.*,
74 U.S. (7 Wall.) 386 (1868) 21

Roley v. *New World Pictures, Ltd.*,
19 F.3d 479 (9th Cir. 1994) 31

Rothensies v. *Elec. Storage Battery Co.*,
329 U.S. 296 (1946) 50

Rowan v. *U.S. Post Office Dep't*,
397 U.S. 728 (1970) 41

Russell v. *Todd*,
309 U.S. 280 (1940) 11, 20, 38, 51

S. Pac. Co. v. *Bogert*,
250 U.S. 483 (1919) 15

Saxlehner v. *Nielsen*,
179 U.S. 43 (1900) 45

SEC v. *U.S. Realty & Improvement Co.*,
310 U.S. 434 (1940) 24

Sheldon v. *Metro-Goldwyn Pictures Corp.*,
309 U.S. 390 (1940) 43

Sony Corp. of Am. v. *Universal City Studios, Inc.*,
464 U.S. 417 (1984) 29

Sparhawk v. *Yerkes*,
142 U.S. 1 (1891) 12

Stewart v. *Abend*,
495 U.S. 207 (1990) 2, 32

Teamsters & Emp'rs Welfare Trust of Ill.
v. *Gorman Bros. Ready Mix*,
283 F.3d 877 (7th Cir. 2002) 25, 27, 40

Tellabs, Inc. v. *Makor Issues & Rights, Ltd.*,
551 U.S. 308 (2007) 24

Therasense, Inc. v. *Becton, Dickinson & Co.*,
649 F.3d 1276 (Fed. Cir. 2011) 28

Underwood v. *Dugan*,
139 U.S. 380 (1891) 36, 37, 50

United States v. *Brockamp*,
519 U.S. 347 (1997) 24

United States v. *Mack*,
295 U.S. 480 (1935) 20, 40

West Publ'g Co. v. *Edward Thompson Co.*,
176 F. 833 (2d Cir. 1910) 32

Whitney v. *Fox*,
166 U.S. 637 (1897) 52

Wollensak v. *Reiher*,
115 U.S. 96 (1885) 48

Young v. *United States*,
535 U.S. 43 (2002) 23, 24

Zenith Radio Corp. v. *Hazeltine Research, Inc.*,
401 U.S. 321 (1971) 33

STATUTES

15 U.S.C. § 77m 27

15 U.S.C. § 1115(b)(9) 29

17 U.S.C. § 203(b)(1) 44

17 U.S.C. § 304(a) 32

17 U.S.C. § 304(a)(4)(A) 4, 45

17 U.S.C. § 304(c)(6)(A) 44

17 U.S.C. § 410(c) 38

17 U.S.C. § 504(b) 43

17 U.S.C. § 507(b) 7, 13, 26, 40

25 U.S.C. § 640d-17(b) 27

25 U.S.C. § 653 27

28 U.S.C. § 398 39

28 U.S.C. § 1658 .....21, 28

35 U.S.C. § 282(b)(1) 28

42 U.S.C. § 9607(a).....27

Act of June 19, 1934, ch. 651, 48 Stat. 1064 40

Act of Mar. 3, 1863, ch. XCII, 12 Stat. 765.....18

Act of Mar. 3, 1915, ch. 90, 38 Stat. 956.....39

RULES

Fed. R. Civ. P. 2.....10, 13, 39

Fed. R. Civ. P. 8(c).....10, 39

Fed. R. Civ. P. 52(a).....51

OTHER AUTHORITIES

Howard B. Abrams,
Law of Copyright (2012) 48

Vikas K. Didwania,
Comment, *The Defense of Laches in Copyright Infringement Claims*,
75 U. Chi. L. Rev. 1227 (2008).....21

H.R. Rep. No. 85-150 (1957).....30

Melville B. Nimmer & David Nimmer,
Nimmer on Copyright (Lexis 2013) 14, 31

John Norton Pomeroy,
A Treatise on Equity as Administered in the United States of America
(5th ed. 1941).....16, 18, 44, 45, 46

Restatement (Third) of Unfair Competition
§ 31 (1995) 36

S. Rep. No. 85-1014 (1957).....30

STATEMENT

Petitioner alleges that the 1980 film *Raging Bull* infringes a 1963 screenplay to which she obtained the rights in 1991. Although petitioner's copyright infringement claim initially accrued in 1991, she did not bring suit until 2009—18 years later—because she wanted to see if the film would become profitable. The district court made factual findings that petitioner's delay was unreasonable and caused respondents both expectancy and evidentiary prejudice, and granted summary judgment on respondents' affirmative defense of laches. The court of appeals affirmed.

1. Former boxing champion Jake LaMotta collaborated with petitioner's father Frank Petrella to create a book and two screenplays about LaMotta's life and career. Pet. App. 3a, 30a; J.A. 164, 193, 200–01, 207.

LaMotta and Petrella registered a copyright for the book, *Raging Bull: My Story*, in July 1970 when it was published. J.A. 199–206. The copyright registration listed three co-authors: Petrella (under a pseudonym), LaMotta, and Joseph Carter. *Ibid.* The copyright registration did not say when the work was written, nor did it list any preexisting work on which it was based. *Ibid.* Petrella also wrote a screenplay about LaMotta's life and career that he registered in 1963. J.A. 194–98. Although the copyright registration listed Petrella as the sole author (J.A. 196), the title page makes clear that it was written "in collaboration with" LaMotta (J.A. 164). A second screenplay was registered in 1973, listing Petrella as the sole author. J.A. 206–09.

In 1976, Petrella and LaMotta individually assigned to respondent MGM's predecessors-in-interest

"exclusively and forever, including all periods of copyright and renewals and extensions thereof," their respective motion picture rights in the book and both screenplays. J.A. 48–49. LaMotta also assigned the motion picture rights to his life story. J.A. 50–51. Petrella and LaMotta made clear in the 1976 agreement that the book was written before the two screenplays by specifically representing that they and Carter were "the sole authors of the [book]" and that the book "is original and has not been copied or adapted from any literary, dramatic or other work." J.A. 67. As to the two screenplays, Petrella and LaMotta represented that they had "not been copied or adapted from any literary, dramatic or other work *other than [the book].*" *Ibid.* (emphasis added).

Raging Bull was released four years later in 1980. J.A. 25.

2. Petrella died in 1981. In 1990, petitioner "engaged an attorney to advise and assist her regarding her [copyright] renewal rights." Pet. App. 4a. Under *Stewart* v. *Abend*, 495 U.S. 207 (1990), when an author dies before a copyright renewal period for a work begins, the renewal rights revert to the author's statutory heirs, free and clear of any prior grant of rights. *See id.* at 221.

In 1991, petitioner filed a renewal application for the 1963 screenplay. Pet. App. 4a–5a; J.A. 112. She did not, however, file timely renewal applications for the book or 1973 screenplay and has conceded that her claim is based solely on any protectable expression contained in the 1963 screenplay. *See* Pet. App. 32a, 34a.

Petitioner acknowledges that she was aware of all elements of her copyright infringement claim as of 1991, based on MGM's continued distribution of

Raging Bull. Pet. App. 42a; J.A. 109–12. Further, because *Raging Bull* was a critically acclaimed, Academy Award winning film, it was foreseeable that MGM would continue to distribute it. Nevertheless, petitioner instituted no legal action because, she admitted, "the film was deeply in debt and in the red and would probably never recoup." J.A. 110.

In 1998, petitioner first asserted in a letter to MGM that MGM's continued exploitation of *Raging Bull* was an infringement of her rights. Pet. App. 5a, 32a; J.A. 125–27. Petitioner and respondents exchanged a few letters over the next two years, in which petitioner accused respondents "of infringing her copyrights and [respondents] insisted they were not." Pet. App. 5a. Petitioner "repeatedly threatened to take legal action," but she did not do so. *Ibid.* "The final letter in this series was dated April 5, 2000." Pet. App. 5a–6a; *see* J.A. 266. Following MGM's refutation of her demand, petitioner took no further action. In fact, in 2005, petitioner was a guest at MGM's 25th anniversary gala for *Raging Bull*. J.A. 294.

3. Petitioner initiated this lawsuit in 2009. Pet. App. 6a; J.A. 19–36. She asserted causes of action for copyright infringement, unjust enrichment, and an accounting. J.A. 29–33. Her infringement claim was based on the allegation that *Raging Bull* "is based on and a derivative work of the 1963 Screenplay, 1973 Screenplay, and the Book." J.A. 29. On this claim, petitioner's prayer for relief sought "damages derived by [respondents] from their copyright infringement," cancellation or transfer of any copyright in the film, and an injunction. J.A. 34.

Following discovery, respondents moved for summary judgment on three substantive grounds:

First, that there is no substantial similarity between *Raging Bull* and any protectable elements of the 1963 screenplay (*see*, *e.g.*, *Hoehling* v. *Universal City Studios, Inc.*, 618 F.2d 972, 978–80 (2d Cir. 1980)); second, that LaMotta's grant of motion picture rights in the book remains valid and sufficient notwithstanding the reversion of Petrella's interest (*see*, *e.g.*, *Davis* v. *Blige*, 505 F.3d 90, 100 (2d Cir. 2007)); and third, because petitioner failed to renew the copyright in the book and 1973 screenplay, respondents may exploit any existing derivative works, including the film (17 U.S.C. § 304(a)(4)(A)). D.C. Dkt. 54, at 5–14.

Respondents also asserted the defense of laches, seeking dismissal of the entire action because petitioner's 18-year delay in filing suit was unreasonable and had caused substantial evidentiary and expectations-based prejudice to respondents. D.C. Dkt. 54, at 20–24. Petitioner argued in response only that her conduct did not amount to laches; she did not dispute that laches is an available defense to a claim of copyright infringement or that laches, if proved, would bar her entire action. *See* D.C. Dkt. 63, at 17–21.

4. The district court determined that respondents' substantive objections "do not have to be definitively answered" (Pet. App. 36a) because laches barred petitioner's claims in their entirety. *See* Pet. App. 46a. As the court recognized, respondents bore the burden of "'establish[ing] (1) lack of diligence by the plaintiff, and (2) prejudice to the defendant.'" Pet. App. 42a (citation omitted).

As to the first element, "'the relevant delay is the period from when the plaintiff knew (or should have known) of the allegedly infringing conduct, until the

initiation of the lawsuit in which the defendant seeks to counterpose the laches defense.'" Pet. App. 42a (quoting *Danjaq LLC* v. *Sony Corp.*, 263 F.3d 942, 952 (9th Cir. 2001)). In this respect, "[i]t is essentially undisputed that [petitioner] had knowledge of the legal theories she is asserting in this action in 1990 or 1991." *Ibid.* Given that she did not file suit until 2009, the delay "element of [respondents'] laches defense is easily satisfied." Pet. App. 43a. "Here, the *only* justification offered for the delay is that [petitioner] waited to bring suit to assess [*Raging Bull*'s] profitability." Pet. App. 44a (emphasis added). The court found that petitioner's 18-year "delay in bringing suit was unreasonable." *Ibid.*

The district court also found that respondents "have shown prejudice resulting from the delay." Pet. App. 44a.

First, the court found expectations-based prejudice "because [respondents] have made significant investments in exploiting the film," the benefit of which petitioner "would potentially be allowed to reap." Pet. App. 44a–45a. Respondents have distributed *Raging Bull* since 1991 "on a continuous basis in the United States and abroad," and "expended substantial financial and other resources as a part of this effort," including "costs related to marketing, advertising, distributing and otherwise promoting the Film in various media." J.A. 39. The expenses attributable to domestic marketing alone totaled almost $8.5 million during the 18 years before petitioner brought suit. J.A. 40. Respondents also entered into multiple licensing agreements with third parties concerning broadcast rights for the movie. J.A. 41.

Second, the court found that respondents "have also shown evidentiary prejudice resulting from the long delay." Pet. App. 45a. Respondents' defenses to petitioner's copyright infringement claim turned on several disputed matters of historical fact. As just one example, after respondents pointed out that the authors' contractual representations in the 1976 agreement established that both screenplays were derivative of the jointly authored book, petitioner asserted, for the first time, that Petrella and LaMotta were "incorrect" when they made these contractual representations. J.A. 295. Petitioner's entire claim depends on this factual issue, yet during her delay both Petrella's wife and LaMotta's second wife died, while LaMotta, who "suffered myriad blows to his head as a fighter years ago," had become elderly and "no longer recognizes [petitioner], even though he has known her for forty years." Pet. App. 45a–46a; *see also* J.A. 26–27, 122, 231.

Based on its discretionary determination that "[t]here are strong equitable arguments against allowing *this action* to proceed," the district court granted summary judgment. Pet. App. 46a (emphasis added).

5. The court of appeals unanimously affirmed. Pet. App. 7a–18a, 23a. In her appellate brief, petitioner conceded that "the equitable defense of laches could apply to a copyright infringement claim," while elsewhere arguing that laches categorically did not apply to her common-law claims. Pet. C.A. Br. 38, 55.

The Ninth Circuit reiterated that "it is '[u]ndisputed [petitioner] was aware of her potential claims (as was MGM) since 1991,' when her attorney filed her renewal application for the 1963 screenplay.

She did not file her lawsuit until 18 years later, in January 2009." Pet. App. 9a (first alteration in original). The court concluded that petitioner's proffered justifications "are insufficient to demonstrate that the filing delay was reasonable." Pet. App. 10a. "More importantly, the evidence suggests the true cause of [petitioner's] delay was, as she admits, that 'the film hadn't made money' during this time period." Pet. App. 11a. As a result, the "district court did not err in finding [petitioner's] delays in notification and in filing suit—[18] years, combined—were unreasonable." *Ibid.*

The Ninth Circuit next determined that respondents had suffered expectations-based prejudice based on the "nearly $8.5 million" they had spent on U.S.-based marketing of *Raging Bull* and the licensing agreements they had made for broadcast and future distribution rights. Pet. App. 12a–14a, 17a–18a. The court did not address or disturb the district court's finding of evidentiary prejudice caused by petitioner's unreasonable delay. Pet. App. 12a.

SUMMARY OF ARGUMENT

I. The equitable defense of laches applies where a plaintiff's unreasonable delay prejudices the defendant. *Costello* v. *United States*, 365 U.S. 265, 282 (1961). The Court has recognized that laches applies in cases brought under a variety of federal statutes, including the Copyright Act. *Callaghan* v. *Myers*, 128 U.S. 617, 658–59 (1888). Contrary to petitioner's submission, Congress did not abrogate this venerable doctrine merely by enacting a three-year statute of limitations for civil copyright claims in 1957. 17 U.S.C. § 507(b).

A. The separation of powers does not preclude courts from applying laches (or any other equitable

doctrine) to claims governed by a statute of limitations. On the contrary, laches functions as a necessary counterbalance to rolling limitations periods that can be extended indefinitely. *Nat'l R.R. Passenger Corp.* v. *Morgan*, 536 U.S. 101, 121–22 (2002).

1. A statute of limitations and the defense of laches serve different functions. The former, an across-the-board rule, measures *only* the passage of time; the latter, a discretionary doctrine focusing on the circumstances of each case, requires *both* unreasonable delay *and* prejudice.

2. For nearly two centuries, this Court has recognized that laches can bar claims governed by, and brought within, a statute of limitations. *E.g.*, *Patterson* v. *Hewitt*, 195 U.S. 309, 318–19 (1904); *McKnight* v. *Taylor*, 42 U.S. (1 How.) 161, 168 (1843). Petitioner's attempt to upend this settled understanding rests on a misreading of snippets from three decisions of this Court.

3. Petitioner's constitutional theory would preclude the laches defense not just for copyright claims, but in any case governed by statutory time limits. Accepting it would thus oust an important equitable defense from nearly every federal civil case.

B. The Copyright Act does not preclude courts from applying laches (or any other equitable doctrine) to claims brought under it. On the contrary, the 1957 Congress intended that courts would retain their equitable powers in adjudicating copyright claims.

1. Congress legislates in light of background common-law principles, including traditional equitable doctrines such as laches. This Court does not construe statutes to abrogate such principles absent a clear congressional command.

2. Congress, of course, can eliminate laches (and other equitable doctrines) through an express statement or by enacting a statute of repose. The 1957 amendment to the Copyright Act did neither. The government agrees. U.S. Br. 24–26.

3. Nothing in the Patent Act expressly authorizes laches, yet this Court and others have long applied the defense to patent infringement claims even though that statute has contained a limitations period since 1897. There is no principled basis for eliminating laches in copyright but not patent cases.

4. The legislative history confirms that the 1957 amendment to the Copyright Act preserved the equitable powers of the federal courts. Again, the government agrees. U.S. Br. 24–26.

5. Petitioner's insistence that copyright infringement claims are subject to a rolling statute of limitations confirms the availability of laches. Given lengthy copyright terms and the repeated exploitation of the same work, a copyright plaintiff can delay bringing suit almost indefinitely unless constrained by equity. In analogous scenarios, the Court has recognized the importance of the laches doctrine. *Morgan*, 536 U.S. at 121–22.

II. The district court did not abuse its discretion in applying the laches doctrine here.

A. The district court had authority to bar petitioner's entire copyright infringement claim, including her requests for monetary and injunctive relief.

1. Courts have always possessed the equitable discretion to determine, based on the specific evidence of prejudicial delay in each case, whether laches bars an entire claim or simply discrete remedies. This discretion is consistent with the flexible, case-

specific nature of equity. *eBay Inc.* v. *MercExchange, L.L.C.*, 547 U.S. 388, 392–93 (2006).

2. Evidentiary prejudice compromises a defendant's ability to defend against *liability*. Copyright actions generally, and the facts of this case specifically, illustrate the need for courts to retain their longstanding discretion to find that laches bars an entire action, and not merely certain remedies, to prevent such prejudice.

3. Law and equity were merged in 1938. Petitioner's suit is thus a civil action, not an action at law or in equity. Fed. R. Civ. P. 2. All civil actions today are subject to various equitable doctrines, including the affirmative defense of laches. Fed. R. Civ. P. 8(c)(1). Since the merger, this Court has never precluded the application of laches to claims that include a prayer for legal relief, and other equitable doctrines apply in such cases.

4. This Court has also recognized that laches can bar requests for the equitable remedies of disgorgement and injunction.

B. The district court made factual *findings* that were not disturbed on appeal and are not challenged by petitioner in this Court. There was no abuse of discretion in precluding petitioner's entire claim based on those findings.

1. Petitioner's 18-year delay before filing suit was unreasonable and respondents were prejudiced by this delay. Respondents made substantial investments into promoting and distributing *Raging Bull* since 1991—in justifiable reliance on their rights. Moreover, all the remaining key witnesses died or became unavailable during petitioner's long delay, and respondents were prejudiced by this loss of evidence.

2. Neither of the lower courts applied a "presumption" that laches bars petitioner's claim.

The judgments below should be affirmed.

ARGUMENT

Petitioner waited almost two decades after her copyright infringement claim initially accrued before filing suit because, as she admitted, she wanted to see if *Raging Bull* would become profitable. During that time, respondents spent millions of dollars promoting and distributing the film, while the remaining key witnesses passed away or became unable to testify. Recognizing this as a textbook case for laches, the district court granted summary judgment to respondents on that basis, and the court of appeals affirmed.

The lynchpin of petitioner's bid for reversal is her contention that applying laches to copyright infringement claims would violate the separation of powers or the Copyright Act. As shown in Part I, this argument is irreconcilable with the Constitution, the statute, and two centuries of precedent—as the government acknowledges. U.S. Br. 20–27. Part II establishes that additional objections raised by petitioner are both forfeited and meritless. Therefore, the judgments below should be affirmed.

I. Federal Courts May Properly Apply The Laches Defense In Copyright Cases

The defense of laches, which predates our Constitution, properly applies where the claimant has waited unreasonably long to assert her claim and the defendant suffers prejudice from the delay. *Costello* v. *United States*, 365 U.S. 265, 282 (1961); *Russell* v. *Todd*, 309 U.S. 280, 287 (1940). It reflects the ancient maxim that equity aids the vigilant and not

those who sleep on their rights (*vigilantibus non dormientibus æquitas subvenit*). *See City of New York* v. *Pine*, 185 U.S. 93, 98 (1902). The federal courts inherited the defense of laches and other established equitable doctrines from English chancery practice. *See, e.g., Piatt* v. *Vattier*, 34 U.S. (9 Pet.) 405, 416–17 (1835).

Before the 1938 merger of law and equity, this Court applied the laches defense to a variety of claims, including claims arising under federal statutes. *See, e.g., Lane & Bodley Co.* v. *Locke*, 150 U.S. 193, 200–01 (1893) (Patent Act); *Sparhawk* v. *Yerkes*, 142 U.S. 1, 15–16 (1891) (Bankruptcy Act); *McLean* v. *Fleming*, 96 U.S. 245, 257–58 (1877) (1870 Trademark Act). The Court also applied laches to claims brought within the applicable statute of limitations. *See, e.g., Nicholas* v. *United States*, 257 U.S. 71, 76–77 (1921); *Patterson* v. *Hewitt*, 195 U.S. 309, 318–19 (1904).

This Court has specifically recognized the availability of laches in a case brought to enforce the Copyright Act. *Callaghan* v. *Myers*, 128 U.S. 617, 658–59 (1888). Federal courts recognized that laches "is peculiarly applicable to motions for injunction in cases of patent and copyright, and has been uniformly applied to them." *Cooper* v. *Mattheys*, 6 F. Cas. 482, 485 (C.C.E.D. Pa. 1842) (No. 3,200); *see also Lawrence* v. *Dana*, 15 F. Cas. 26, 61 (C.C.D. Mass. 1869) (No. 8,136); U.S. Br. 23.

As Judge Learned Hand explained, these cases reflect that it would be "inequitable for the owner of a copyright, with full notice of an intended infringement, to stand inactive while the proposed infringer spends large sums of money in its exploitation, and to intervene only when his speculation has proved a

success." *Haas* v. *Leo Feist, Inc.*, 234 F. 105, 108 (S.D.N.Y. 1916); *see also D.O. Haynes & Co.* v. *Druggists' Circular*, 32 F.2d 215, 216, 218 (2d Cir. 1929); U.S. Br. 24 n.4.

The advent of the Federal Rules in 1938 brought about the merger of law and equity in the federal system. *Gulfstream Aerospace Corp.* v. *Mayacamas Corp.*, 485 U.S. 271, 283 (1988). Whereas pre-merger cases were brought "at law" or "in equity," with different substantive and procedural rules governing each form of action, after the merger "[t]here is one form of action—the civil action." Fed. R. Civ. P. 2.

Following the merger, this Court continued to acknowledge the availability of laches in civil actions brought to enforce federal claims. *See, e.g.*, *Czaplicki* v. *The Hoegh Silvercloud*, 351 U.S. 525, 533 (1956). And federal courts continued to apply laches to copyright infringement claims. *See, e.g.*, *Edwin L. Wiegand Co.* v. *Harold E. Trent Co.*, 122 F.2d 920, 925 (3d Cir. 1941). Courts expressly held that laches could completely bar copyright infringement actions seeking both legal and equitable relief. *See Egner* v. *E.C. Schirmer Music Co.*, 48 F. Supp. 187, 187, 190 (D. Mass. 1942) (injunction and statutory damages), *aff'd*, 139 F.2d 398 (1st Cir. 1943).

In 1957, with this historical backdrop, Congress enacted a statute of limitations for "civil action[s]" brought to enforce the Copyright Act. 17 U.S.C. § 507(b). Since then, the courts of appeals have continued to apply laches to copyright cases. *See, e.g.*, *Chirco* v. *Crosswinds Cmtys., Inc.*, 474 F.3d 227, 235–36 (6th Cir. 2007); *Danjaq LLC* v. *Sony Corp.*, 263 F.3d 942, 963 (9th Cir. 2001); *New Era Publ'ns Int'l, ApS* v. *Henry Holt & Co.*, 873 F.2d 576, 584–85 (2d Cir. 1989). As a leading treatise notes, "laches

has an illustrious pedigree across the circuits as a defense to a charge of copyright infringement." 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 12.06(A) (Lexis 2013).

Courts have construed the Copyright Act's statute of limitations to permit suit within three years after the most recent act of infringement. *See* U.S. Br. 11–14. Coupled with the "uniquely long periods of protection" for copyright holders (*id.* at 14), this "rolling" statute of limitations (Nimmer, *supra*, § 12.05(B)) means that an infringement suit can be brought many years after it initially accrues. As explained further in Part I.B.5. below, a critical counterweight to the indefiniteness created by this regime is the laches doctrine, which allows courts to terminate an action where the claimant waited unreasonably long to the prejudice of the defendant. *See Nat'l R.R. Passenger Corp.* v. *Morgan*, 536 U.S. 101, 121–22 (2002) (applying the same reasoning to certain Title VII claims).

Petitioner nonetheless advances the sweeping contention that laches is *never* an available defense in copyright infringement actions simply because Congress adopted a statute of limitations for civil actions to enforce the Copyright Act. Pet. Br. 18. Only one circuit has ever accepted this position. *Lyons P'ship, L.P.* v. *Morris Costumes, Inc.*, 243 F.3d 789, 797 (4th Cir. 2001). That decision, like petitioner, is wrong.

A. Federal Courts Have The Inherent Equitable Power To Apply Laches In All Civil Actions

Petitioner advances the startling constitutional theory that "[t]he separation of powers bars judges from superimposing additional timeliness require-

ments upon those prescribed by Congress." Pet. Br. 24. But federal courts have exercised their inherent equitable powers since the Judiciary Act of 1789, and this Court has never suggested that discretionary adjustments to timely filing periods—including equitable tolling, the discovery rule, estoppel, and laches—violate the Constitution. This country inherited the English system of law and equity, not the Napoleonic Code. *See Grupo Mexicano de Desarrollo, S.A.* v. *Alliance Bond Fund, Inc.*, 527 U.S. 308, 318 (1999). Petitioner's theory would make laches (and other equitable doctrines) unavailable *whenever* a federal statutory claim is governed by a limitations period. This Court has consistently held otherwise.

1. Petitioner's separation-of-powers theory starts from the faulty assumption that laches is a mere "timeliness doctrine," and that "[t]he laches defense is redundant of a statute of limitations." Pet. Br. 28–29. In fact, laches and limitations periods are different from one another and are complementary rather than conflicting or overlapping defenses.

Because statutes of limitations are designed to protect "the repose of society" (*Pub. Schs.* v. *Walker*, 76 U.S. (9 Wall.) 282, 288 (1869)), they operate through "by definition arbitrary" rules that consider *only* the passage of time. *Chase Sec. Corp.* v. *Donaldson*, 325 U.S. 304, 314 (1945).

The "essence of laches," by contrast, "is not merely lapse of time." *S. Pac. Co.* v. *Bogert*, 250 U.S. 483, 488 (1919). As this Court put it, "laches is not, like limitation, a mere matter of time; but principally a question of the inequity of permitting the claim to be enforced—an inequity founded upon some change in the condition or relations of the property or the parties." *Holmberg* v. *Armbrecht*, 327 U.S. 392, 396

(1946) (quoting *Galliher* v. *Cadwell*, 145 U.S. 368, 373 (1892)) (internal quotation marks omitted). Because it is designed to prevent "prejudice to the defendant" and to preserve "[t]he equities of the parties," laches has always been "a question primarily addressed to the discretion of the trial court." *Gardner* v. *Pan. R.R. Co.*, 342 U.S. 29, 30–31 (1951) (per curiam).

Given their different goals and operations, the existence of a statute of limitations does not determine whether laches can apply, or *vice versa*. *Cf. Holmberg*, 327 U.S. at 396 ("Traditionally and for good reasons, statutes of limitation are not controlling measures of equitable relief"). The defense of "estoppel by laches is not one which can be measured out in days and months, as though it were a statute of limitations." *N. Pac. Ry. Co.* v. *Boyd*, 228 U.S. 482, 509 (1913). Accordingly, for purposes of the defense of laches, "[e]very case is governed chiefly by its own circumstances," and "[w]hether the time the negligence has subsisted is sufficient to make it effectual is a question to be resolved by the sound discretion of the court." *Brown* v. *Cnty. of Buena Vista*, 95 U.S. 157, 160 (1877).

Importantly, "*mere delay* to commence a suit for a period less than that of the statute of limitations is never a reason for dismissing the proceeding." 2 John Norton Pomeroy, *A Treatise on Equity as Administered in the United States of America* § 419, at 175 n.15 (5th ed. 1941) (emphasis added). The defense of laches always requires two additional elements: an *unreasonable* delay that *prejudices* the defendant. *See Morgan*, 536 U.S. at 121 ("a laches defense ... bars a plaintiff from maintaining a suit if he unreasonably delays in filing a suit and as a result harms the defendant"). Petitioner's repeated

suggestion that laches "can be triggered by 'delay alone'" (Pet. Br. 29 (citation omitted); *see also id.* at 18, 24, 33, 38, 63) is incorrect. *See* U.S. Br. 21–22.

The laches defense has been available to copyright defendants since the 19th century, yet it has not spawned a welter of litigation. Accordingly, any concern that maintaining the status quo will incentivize copyright holders "to flood the courts with premature infringement claims" (Oman Br. 26 (capitalization altered); *see* Pet. Br. 56–58; AIPLA Br. 10–11) is baseless. Changing the rules, however, could encourage prospective defendants to engage in preemptive litigation: Film studios such as respondents receive numerous allegations of infringement each year, even though the vast majority of them never lead to litigation. If laches were abolished, the studios might have to consider initiating declaratory or other actions to secure their continued right to exploit, market, and transfer their intellectual property assets. Accordingly, if petitioner is truly concerned about "breeding excessive, costly litigation" (Pet. Br. 56), jettisoning a longstanding and accepted equitable defense is not a good place to start.

2.a. Because the two doctrines are different, this Court has long recognized that laches can apply to claims governed by a statute of limitations, and, "when justice demands it, refuse relief, even if the time elapsed without suit is less than that prescribed by the statute of limitations." *Alsop* v. *Riker*, 155 U.S. 448, 461 (1894); *accord, e.g.*, *McKnight* v. *Taylor*, 42 U.S. (1 How.) 161, 168 (1843) ("courts of equity refuse to interfere after a considerable lapse of time" even when the claim is "not barred by the act of limitations"). As the government observes, this Court has consistently "acknowledge[d] the potential availability of a laches defense to equitable claims

filed within a statute of limitations." U.S. Br. 22–23; *see* 2 Pomeroy, *supra*, § 419c, at 177 ("the court may refuse its aid although the period which has elapsed without suit is less than that which is prescribed by statute").

In *Patterson*, for example, the Court explained—in the context of jurisdictions "where there is but one form of action applicable both to proceedings of a legal and equitable nature"—that the "defendant may avail himself of the laches of the complainant, notwithstanding the time fixed by the statute has not expired." 195 U.S. at 318–19. It did so because awarding relief in that case "would be grossly unjust to the defendants," who had invested considerable resources in developing real property while the plaintiffs delayed bringing a claim. *Id.* at 320. Similarly, this Court has applied laches to bar compensation claims by former federal employees that were brought within the relevant federal six-year statutory limitations period. *Norris* v. *United States*, 257 U.S. 77, 80–82 (1921); *Nicholas*, 257 U.S. at 76–77; *see* Act of Mar. 3, 1863, § 10, 12 Stat. 765, 767.

In more recent times, this Court has reiterated that laches can apply to a number of statutory claims that are governed by congressionally enacted limitations periods. *See Morgan*, 536 U.S. at 121 ("an employer may raise a laches defense" against Title VII claims); *Abbott Labs.* v. *Gardner*, 387 U.S. 136, 155 (1967) (the "defense of laches could be asserted if the Government is prejudiced by a delay" in bringing an action for injunctive relief under the Administrative Procedure Act); *see also Ledbetter* v. *Goodyear Tire & Rubber Co.*, 550 U.S. 618, 632 (2007). And it has made clear that this defense is critical where, as here, a plaintiff can extend the statutory limitations period indefinitely. *See Morgan*, 536 U.S. at 121

(laches can apply when, "despite the procedural protections of the statute," a defendant is "significantly handicapped in making his defense because of an inordinate ... delay" resulting from "claims that extend over long periods of time") (citation omitted).

b. Despite this Court's longstanding recognition that laches can bar claims brought within the statutory limitations period, petitioner baldly asserts—as a matter of *constitutional* law—that "[w]here Congress has enacted a statute of limitations, courts may not use laches to constrict that time period." Pet. Br. 28. Accepting that assertion would require overruling many of this Court's laches precedents. Indeed, this Court has decided literally hundreds of cases involving the laches doctrine; yet petitioner's entire submission rests on just three of them, from each of which petitioner plucks out of context a single passage. *See id.* at 28–29.

Petitioner first points to the statement in *Holmberg* that "[i]f Congress explicitly puts a limit upon the time for enforcing a right which it created, there is an end of the matter. The Congressional statute of limitation is definitive." Pet. Br. 28 (quoting 327 U.S. at 395). That observation, however, was not a rejection of the application of laches (or any other equitable defense) within the limitations period. Instead, it was a lead-in to the unremarkable proposition that in the absence of a congressionally created time limit, "it is federal policy to adopt the local law of limitation." 327 U.S. at 395. If this statement meant what petitioner says it does, *Holmberg* would not have held that the "equitable doctrine" of the discovery rule is "read into every federal statute of limitation," or that a "suit in equity may fail though 'not barred by the act of limitations.'" *Id.* at 396–97 (citation omitted). In fact, the

Court remanded the case to determine "whether the petitioners are chargeable with laches." *Id.* at 397.

The second of petitioner's authorities simply confirms that "[l]aches may bar equitable remedy before the local statute [of limitations] has run." *Russell*, 309 U.S. at 288 n.1. The Court did not say that laches "applies only 'in the absence of any [applicable] statute of limitations'" (Pet. Br. 28 (citation omitted)); it said that "equity, in the absence of any statute of limitations made applicable to equity suits, has provided its own rule of limitations through the doctrine of laches, the principle that equity will not aid a plaintiff whose unexcused delay, if the suit were allowed, would be prejudicial to the defendant." 309 U.S. at 287. Likewise, the Court did not say that laches is concerned with "delay alone" (Pet. Br. 29); it said that "[i]n the application of the doctrine of laches [equity] recognized that prejudice may arise from delay alone, so prolonged that in the normal course of events evidence is lost or obscured." 309 U.S. at 287. Shorn of petitioner's selective editing, *Russell* provides no support for her constitutional contention.

Petitioner's final toehold is this Court's pre-merger statement that "[l]aches within the term of the statute of limitations is no defense at law." *United States* v. *Mack*, 295 U.S. 480, 489 (1935); *see* Pet. Br. 28. But that lone sentence cannot support her theory: As explained in Part II.A.3. below, petitioner's suit is not an action "at law," but a post-merger "civil action" that is subject to equitable defenses, including laches. Fed R. Civ. P. 2, 8(c)(1). Moreover, her complaint requests *only* equitable relief.

3. Petitioner's constitutional argument also rests on the flawed assumption that applying laches to copyright claims would "overrule the legislature's

judgment as to the appropriate time limit to apply for actions brought under the statute." *Lyons*, 243 F.3d at 798; *see* Pet. Br. 29. But there is no reason to infer that Congress invariably intends a statutory limitations period to set both a ceiling and a floor. *See* Vikas K. Didwania, Comment, *The Defense of Laches in Copyright Infringement Claims*, 75 U. Chi. L. Rev. 1227, 1245 (2008).

Petitioner attempts to turn a shield for defendants into a sword for plaintiffs, arguing that any claim brought within the statute of limitations must necessarily proceed. But statutes of limitations cut off the enforcement of rights rather than create them (*Riddlesbarger* v. *Hartford Ins. Co.*, 74 U.S. (7 Wall.) 386, 389–90 (1868)), and there are many reasons why a claim brought within the statute of limitations may be invalid or barred. Those reasons are known as affirmative defenses; they are collected in Rule 8, and laches is one of them.

Indeed, petitioner's separation-of-powers theory would preclude the operation of laches to *any* federal cause of action that is subject to a statutory limitations period. Because courts "do not ordinarily assume that Congress intended that there be no time limit on actions at all" (*Agency Holding Corp.* v. *Malley-Duff & Assocs.*, 483 U.S. 143, 146 (1987) (citation omitted)), a federal cause of action is generally governed by a specific statute of limitations, the default four-year limitations period under 28 U.S.C. § 1658(a) (if created after 1990), or a time limit borrowed from state law or some other legislative source. As the Chamber of Commerce explains, petitioner's theory is in no way limited to copyright (or even intellectual property) claims, but would eviscerate a traditional affirmative defense to nearly

every federal cause of action—including claims under the antitrust, securities, and employment laws.

Defendants facing such statutory claims would thereby be deprived of an important defense in extreme cases of prejudicial delay (such as where a claimant waits until a key witness dies or until defendants' efforts make the property profitable), which would serve only to encourage opportunistic litigants in a variety of contexts. *See* Feldman Br. 7–26. In fact, such dubious litigation tactics are the avowed purpose of some of petitioner's *amici*. *See* Authors Guild Br. 13–14; Oman Br. 27. Equity does not tolerate this kind of gamesmanship.

"[C]ourts of equity go farther in the promotion of justice" than legislative time limits do, "and where laches exist, deny the relief sought, even though the statutory period may not have run under the applicable statute." *O'Brien* v. *Wheelock*, 184 U.S. 450, 493 (1902); *see also* U.S. Br. 22. The Judiciary's time-honored exercise of this inherent equitable power crosses no constitutional line.

B. Congress Intended That Federal Courts Would Apply Laches In Copyright Cases

Petitioner *conceded* in the court below that "the equitable defense of laches could apply to a copyright infringement claim." Pet. C.A. Br. 38. And for good reason: As petitioner acknowledges, a variety of equitable doctrines served as "background principle[s] against which Congress legislated" when it inserted a statute of limitations into the Copyright Act. Pet. Br. 17; *see id.* at 32, 63. Petitioner's newly minted contention that "laches is not [such] a background principle" (*id.* at 15) is wrong.

1.a. "Congress is understood to legislate against a background of common-law adjudicatory principles," and "where a common-law principle is well established, ... the courts may take it as given that Congress has legislated with an expectation that the principle will apply except 'when a statutory purpose to the contrary is evident.'" *Astoria Fed. Sav. & Loan Ass'n* v. *Solimino*, 501 U.S. 104, 108 (1991) (citation omitted). This Court does "not lightly assume that Congress meant to restrict the equitable powers of the federal courts" (*Miller* v. *French*, 530 U.S. 327, 335 (2000)), for the same reason that "statutes in derogation of the common law are to be strictly construed." *Isbrandtsen Co.* v. *Johnson*, 343 U.S. 779, 783 (1952) (citation omitted).

Because "Congress must be presumed to draft limitations periods in light of" well-established equitable doctrines (*Young* v. *United States*, 535 U.S. 43, 49–50 (2002)), this Court has repeatedly recognized that the application of equitable principles to cases also governed by statutory time bars is consistent with legislative intent. For example, "[i]t is hornbook law that limitations periods are 'customarily subject to "equitable tolling"'"; thus, that equitable principle is fully consonant with congressional intent in establishing a statute of limitations. *Ibid.* (citation omitted). Similarly, the "equitable doctrine" of the discovery rule—*i.e.*, "where a plaintiff has been injured by fraud and 'remains in ignorance of it without any fault or want of diligence or care on his part, the bar of the statute does not begin to run until the fraud is discovered'"—"is read into every federal statute of limitation." *Holmberg*, 327 U.S. at 397 (quoting *Bailey* v. *Glover*, 88 U.S. (21 Wall.) 342, 348 (1874)).

Congress, of course, has the power to "shape the contours" of federal causes of action, whether it acts under the Progress Clause or any other constitutional provision. *Tellabs, Inc.* v. *Makor Issues & Rights, Ltd.*, 551 U.S. 308, 327 (2007). Congress therefore may depart from the equitable backdrop against which it legislates (*see, e.g.*, *United States* v. *Brockamp*, 519 U.S. 347, 353–54 (1997)), but only if it does so clearly. Because this Court does not "assume that Congress has disregarded well settled principles of equity" (*SEC* v. *U.S. Realty & Improvement Co.*, 310 U.S. 434, 457 (1940)), it will "'not construe a statute to displace courts' traditional equitable authority absent the *clearest command*.'" *Holland* v. *Florida*, 130 S. Ct. 2549, 2560 (2010) (emphasis added) (citation omitted).

b. This Court will not interpret a statute of limitations to override equitable doctrines in the absence of a textual instruction to do so. *See, e.g.*, *Young*, 535 U.S. at 49 (tolling); *Glus* v. *Brooklyn E. Dist. Terminal*, 359 U.S. 231, 233–34 (1959) (estoppel). The Copyright Act's statute of limitations cannot be read to preclude the ancient defense of laches merely because the Act includes no express "wording inviting recourse to laches." Pet. Br. 31. "The great principles of equity, securing complete justice, should not be yielded to light inferences, or doubtful construction." *Brown* v. *Swann*, 35 U.S. (10 Pet.) 497, 503 (1836).

As petitioner concedes, the principles of equity—including "the defense of estoppel," "the defense of unclean hands," "the defense of abandonment," and "equitable tolling"—are "well-established background principle[s]" against which "Congress legislated when it enacted the statute of limitations for copyright infringement claims." Pet. Br. 32–33, 62–63 &

n.17. These doctrines are "read into every federal statute of limitation" (*Holmberg*, 327 U.S. at 397), and thus are available in copyright cases even though *none* is mentioned in the statute. Petitioner's request that this Court distinguish between laches and all other equitable doctrines (Pet. Br. 33) has no support in equity, jurisprudence, or logic.

For example, petitioner maintains that "unlike laches, estoppel is a background principle against which Congress legislated." Pet. Br. 17. But laches is a *species* of estoppel; this Court has long referred to the laches doctrine as "estoppel by laches" (*see, e.g.*, *Boyd*, 228 U.S. at 509), and courts have treated the defenses as largely the same. Laycock Br. 20–23; *see, e.g.*, *Teamsters & Emp'rs Welfare Trust of Ill.* v. *Gorman Bros. Ready Mix*, 283 F.3d 877, 882 (7th Cir. 2002) ("Laches is thus a form of equitable estoppel rather than a thing apart"); D.C. Dkt. 29, at 7.

Moreover, if the mere enactment of a statute of limitations precludes the laches defense, as petitioner contends, it would also have to preclude equitable tolling and similar adjustments to the limitations period. Her suggestion that "equity may expand relief but may not contract it" (Cert. Reply Br. 11; *accord* Authors Guild Br. 9 n.3), is nonsense: This Court's precedents confirm that judicial adjustments to a limitations period run in both directions. *See Morgan*, 536 U.S. at 122 (noting that courts can "apply[] equitable doctrines that may *toll or limit* the time period" set by statute) (emphasis added). "What is sauce for the goose (the plaintiff seeking to extend the statute of limitations) is sauce for the gander (the defendant seeking to contract it)." *Teamsters*, 283 F.3d at 882.

Petitioner is thus forced to contend that "[w]hile tolling is an established background principle ..., laches is not." Pet. Br. 15. This is more nonsense. *See, e.g., Pace* v. *DiGuglielmo*, 544 U.S. 408, 419 (2005) ("Equity always refuses to interfere where there has been gross laches in the prosecution of rights") (quoting *McQuiddy* v. *Ware*, 87 U.S. (20 Wall.) 14, 19 (1874)); *see also Irwin* v. *Dep't of Veterans Affairs*, 498 U.S. 89, 96 (1990) ("We have generally been much less forgiving in receiving late filings where the claimant failed to exercise due diligence in preserving his legal rights"); *Bailey*, 88 U.S. (21 Wall.) at 349 (the discovery rule applies only "when there has been no negligence or laches on the part of a plaintiff in coming to the knowledge of the fraud"); Laycock Br. 13.

Laches and estoppel are the yang to the yin of equitable tolling and the discovery rule. Petitioner's proposal to leave intact all equitable doctrines except the one—laches—that is fatal to her claim is as inequitable as it is unprecedented.

2. Congress can eliminate laches and other equitable mechanisms for adjusting claim-filing periods by expressly so stating or by enacting a statute of repose. In amending the Copyright Act in 1957, it did neither.

As petitioner acknowledges, nothing in the text of the Copyright Act removes laches as an available defense to claims of infringement. *See* Pet. Br. 30; *see also* U.S. Br. 24–25. The Copyright Act imposes a *prohibition*: "No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued." 17 U.S.C. § 507(b). It does not *guarantee* that every

claim can be brought, and does not preclude any defenses.

By contrast, Congress has specifically barred laches as a defense in other statutes. *See, e.g.*, 25 U.S.C. § 640d-17(b) ("Neither laches nor the statute of limitations shall constitute a defense to any action authorized by this subchapter for existing claims if commenced within two years from [the effective date of this Act]"); *id.* § 653; 42 U.S.C. § 9607(a). These "statutes confirm that Congress knows how to limit a court's discretion ... when it so desires," and its "use of explicit language in other statutes cautions against inferring a limitation" in the Copyright Act. *Marx* v. *Gen. Revenue Corp.*, 133 S. Ct. 1166, 1177 (2013); *cf. Hecht Co.* v. *Bowles*, 321 U.S. 321, 330 (1944) ("if Congress desired to make such an abrupt departure from traditional equity practice as is suggested, it would have made its desire plain").

Similarly, Congress can foreclose the availability of the laches defense through enacting a statute of repose, which provides fixed bounds on the time in which a plaintiff can bring suit in order to cabin the scope of equitable extensions. *See, e.g.*, 15 U.S.C. § 77m; *see also Gabelli* v. *SEC*, 133 S. Ct. 1216, 1224 (2013). As this Court has explained, a statute of repose is "fundamentally inconsistent" with equitable alterations to the limitations period. *Lampf, Pleva, Lipkind, Prupis & Petigrow* v. *Gilbertson*, 501 U.S. 350, 363 (1991). Such a provision therefore precludes the operation of both equitable tolling and laches. *Teamsters*, 283 F.3d at 887 (Easterbrook, J., concurring) (because "equitable extensions are incompatible with periods of repose" and because "if laches is just a mirror image of equitable tolling, then abbreviating the time on account of laches also is inappropriate").

A case on which petitioner and the government rely (Pet. Br. 28; U.S. Br. 23)—*Merck & Co.* v. *Reynolds*, 559 U.S. 633 (2010)—confirms this point. When the Court said that it "cannot reconcile [laches principles] with the statute" (*id.* at 652), it was referring to a statute that included a provision of *repose*, not only of limitations. *Id.* at 650 (citing 28 U.S.C. § 1658(b)); *see also* U.S. Br. in *Merck* (No. 08-905), at 21–22. The Copyright Act, by contrast, does not.

3. Petitioner cites the Patent Act and the Lanham Act as two supposed examples of "other intellectual property statutes" that "use language authorizing the defense of laches." Pet. Br. 31–32 (capitalization altered).

The Patent Act nowhere states that laches is an available defense, yet courts have long applied laches to patent infringement claims, even though the Patent Act has contained a six-year statute of limitations since 1897. *A.C. Aukerman Co.* v. *R.L. Chaides Constr. Co.*, 960 F.2d 1020, 1030 (Fed. Cir. 1992) (en banc); *see also Lane & Bodley*, 150 U.S. at 201. Petitioner contends that the Patent Act "includes language that *may* authorize the defense of laches" (Pet. Br. 31 (emphasis added)), but the language she points to—allowing as a defense the "absence of liability for infringement or unenforceability" (35 U.S.C. § 282(b)(1))—generally limits patent defenses to those provided for in the Patent Act itself. *See Aristocrat Techs. Austl. Pty Ltd.* v. *Int'l Game Tech.*, 543 F.3d 657, 664 (Fed. Cir. 2008). Yet background equitable defenses are also applied in patent cases. *See, e.g.*, *Therasense, Inc.* v. *Becton, Dickinson & Co.*, 649 F.3d 1276, 1285 (Fed. Cir. 2011) (en banc) (inequitable conduct).

There is no principled basis on which this Court could rule that laches is available in patent infringement cases but not in copyright infringement cases. Petitioner's effort to do away with laches in the latter but not the former ignores the "historic kinship between patent law and copyright law." *Sony Corp. of Am.* v. *Universal City Studios, Inc.*, 464 U.S. 417, 439 & n.19 (1984); *see also eBay Inc.* v. *MercExchange, L.L.C.*, 547 U.S. 388, 392–93 (2006). More generally, this Court has long recognized that owners of property—whether real or intellectual—may effectively abandon their rights to exclusive enjoyment and use through unreasonable, prejudicial delay. *See, e.g.*, *Planing-Mach. Co.* v. *Keith*, 101 U.S. 479, 487–88 (1880) (patent); *Godden* v. *Kimmell*, 99 U.S. 201, 202, 212 (1879) (real property).

To be sure, the Lanham Act includes an unusual provision, which states that "equitable principles, including laches, estoppel, and acquiescence, are applicable" defenses against trademark infringement claims. 15 U.S.C. § 1115(b)(9). But this Court has never required express statutory authorization to apply laches or any other equitable doctrine and, in fact, applied laches in trademark cases long before the Lanham Act was passed in 1946 with this reference to laches. *See McLean*, 96 U.S. at 258. This Court has also recognized, in directly analogous circumstances, that "[t]he absence of such express language in the copyright statute does not preclude" application of common-law rules "imposed in virtually all areas of the law." *Sony*, 464 U.S. at 435. As explained next, the absence of express reference to laches and other equitable doctrines in the Copyright Act is the result of a congressional determination to give *more* flexibility to courts, not less.

4. When Congress amended the Copyright Act in 1957, it clearly expressed its intention that equitable principles would continue to apply to infringement claims. Congress considered and rejected the idea of "specifically enumerating certain equitable considerations which might be advanced in connection with civil copyright actions." S. Rep. No. 85-1014, at 2 (1957). Although the Lanham Act, enacted a decade before, contained such a list, Congress decided that this approach would be "unnecessary" in the copyright context given that "[f]ederal district courts, generally, recognize these equitable defenses anyway." *Id.* at 3 (citation omitted); *accord* H.R. Rep. No. 85-150, at 2 (1957). As the Senate Report explained, a "person in court normally expects the equitable consideration of the locality to apply. A specific enumeration of certain circumstances or conditions might result in unfairness to some persons." S. Rep. No. 85-1014, at 3.

While petitioner contends that this history "confirms that laches cannot constrict the Copyright Act's express statute of limitations" (Pet. Br. 33), she points to no statement in the legislative history intimating that laches could no longer apply to copyright claims. Instead, she observes only that laches was "never mentioned" (*id.* at 34), but this Court has rightly abjured that mode of analysis. *See, e.g.*, *Harrison* v. *PPG Indus., Inc.*, 446 U.S. 578, 592 (1980) ("In ascertaining the meaning of a statute, a court cannot, in the manner of Sherlock Holmes, pursue the theory of the dog that did not bark"). Congress expected district courts to apply equitable discretion to copyright claims, and laches is part and parcel of that authorization.

5. Petitioner's own insistence on the existence of a rolling statute of limitations (*see* Pet. Br. 18–24)

confirms that the 1957 amendment did not eliminate the availability of laches as a defense against copyright infringement claims. As this Court has recognized, laches is a necessary component of a regime governed by a rolling limitations period. *See Morgan*, 536 U.S. at 121–22.

a. By 1991, petitioner was on full notice of her rights, she was aware of respondents' alleged acts of infringement, it was foreseeable that such acts would continue, and she could have brought this identical lawsuit at that time. *See* Pet. App. 9a; *Graham Cnty. Soil & Water Conservation Dist.* v. *U.S. ex rel. Wilson*, 545 U.S. 409, 419 (2005) ("a statute of limitations begins to run at the time the plaintiff has the right to apply to the court for relief") (citation omitted). But she did not bring suit for 18 years.

Although the statute of limitations under the Copyright Act is three years, petitioner asserts that its rolling nature permits her to sue, and recover, for violations within the preceding three years even if the allegedly infringing acts were known, and the identical claim initially accrued, long before suit was filed. Pet. Br. 22–23 & n.6; U.S. Br. 10–14. She alleged that the continued distribution of *Raging Bull* infringed her rights within the three years preceding her 2009 complaint (*see* J.A. 27–28), and the courts below assumed that this claim was timely. *But see* D.C. Dkt. 29, at 8. Such an approach is not unprecedented. *See, e.g.*, *Roley* v. *New World Pictures, Ltd.*, 19 F.3d 479, 481 (9th Cir. 1994); Nimmer, *supra*, § 12.05(B).

b. Before Congress adopted a federal statute of limitations in 1957, courts treated *state* statutes of limitations as rolling in copyright infringement claims. *Baxter* v. *Curtis Indus., Inc.*, 201 F. Supp.

100, 101 (N.D. Ohio 1962) (describing "the weight of authority" before the 1957 amendment). At the same time, however, courts relied on the laches defense to protect defendants in copyright infringement cases from lengthy, prejudicial delays. *See, e.g., West Publ'g Co.* v. *Edward Thompson Co.*, 176 F. 833, 838 (2d Cir. 1910) (16-year delay). The courts have applied the same approach in post-1957 cases. *See, e.g., Evergreen Safety Council* v. *RSA Network Inc.*, 697 F.3d 1221, 1226–28 (9th Cir. 2012) (10-year delay).

As this case illustrates, a rolling statute of limitations allows the plaintiff to delay bringing an action indefinitely so long as the defendant continues to engage in the allegedly infringing conduct. Copyright defendants often engage in the repeat or serial exploitation of the same work, including by continually distributing a theatrical film through various media. *See, e.g., Danjaq*, 263 F.3d at 954. And copyrights have very long terms—petitioner represents, for example, that her renewal rights in the 1963 screenplay will not expire until 2051. Pet. Br. 45; *see also* 17 U.S.C. § 304(a). These are precisely the circumstances in which laches has an important role to play. Laycock Br. 24 ("if defendant continues to infringe, the statute of limitations may never run, and there is no way to take account of legitimate reliance interests without invoking laches or estoppel").

The 1909 Copyright Act's system of renewal rights virtually ensures that *some* claims, particularly those brought by an author's heirs, will be temporally removed from the original acts of authorship. Pet. Br. 52–54; *see Stewart* v. *Abend*, 495 U.S. 207 (1990). But the fact that *Abend* claims are, by definition, brought after an author's death makes the availability of laches *more* necessary, not less. Respondents do not seek to task petitioner with any de-

lay before her father died in 1981 or she filed her renewal registration in 1991. At that time, however, she could have initiated this identical suit; but she chose not to sue for another 18 years. In theory, she could have waited for decades longer if respondents continued to distribute *Raging Bull*.

c. This Court has never considered a rolling statute of limitations for copyright infringement cases. U.S. Br. 12 n.2. Petitioner therefore points to cases decided under different federal statutes as analogous. Pet. Br. 20 (citing *Bay Area Laundry & Dry Cleaning Pension Trust Fund* v. *Ferbar Corp. of Cal.*, 522 U.S. 192 (1997) (MPPAA); *Klehr* v. *A.O. Smith Corp.*, 521 U.S. 179 (1997) (civil RICO, governed by the Clayton Act's statute of limitations); *Zenith Radio Corp.* v. *Hazeltine Research, Inc.*, 401 U.S. 321 (1971) (Clayton Act)); *see also* U.S. Br. 12 n.2.

What petitioner leaves out is that this Court has concluded that civil claims to enforce these very statutes—none of which expressly authorizes laches—are subject to the defense of laches. *See Bay Area Laundry*, 522 U.S. at 205 (MPPAA); *California* v. *Am. Stores Co.*, 495 U.S. 271, 295–96 (1990) (Clayton Act). The analogies drawn by petitioner thus conform precisely to the historical experience under the Copyright Act: If the statute of limitations continuously rolls forward, then the equitable doctrine of laches must remain available to curtail abuses. *See Am. Stores*, 495 U.S. at 298 (Kennedy, J., concurring) (where a claimant "could have sued ... earlier" but "chose not to do so," the "consequences" of that choice "may include the bar of laches") (citation omitted).

Indeed, where, as here, a plaintiff can delay filing a suit indefinitely, this Court has insisted on the

availability of laches. For instance, in accepting a continuing violation theory for hostile work environment claims under Title VII—an approach the government describes as "consistent" with a rolling statute of limitations (U.S. Br. 13 n.2)—this Court noted that "an employer may raise a laches defense ... in the face of unreasonable and prejudicial delay." *Morgan*, 536 U.S. at 121–22. As it explained, laches ensures that employers are not left "defenseless against employees who bring hostile work environment claims that extend over long periods of time." *Id.* at 121.

Morgan—a very close modern analogue to this case—eviscerates one of petitioner's lower-court authorities. *See* Pet. Br. 28 (citing *Ashley* v. *Boyle's Famous Corned Beef Co.*, 66 F.3d 164 (8th Cir. 1995) (en banc)). Petitioner does not even cite *Morgan*, let alone try to distinguish it. Yet *Morgan* confirms that laches is the equitable counterbalance to the indefiniteness injected into civil litigation by a rolling statute of limitations. Petitioner cannot invoke a rolling statute of limitations without being subject to equitable defeasance.

* * *

If federal courts were prohibited from exercising their traditional equitable powers, as petitioner proposes, then they could no longer apply equitable tolling, the discovery rule, or estoppel in addition to laches. Either the federal courts are empowered to do equity or they are not; and if the Constitution and the Copyright Act permit the exercise of any equitable doctrine then they must perforce allow a laches defense in appropriate cases. Petitioner offers no reason (because there is none) why laches should be treated as the unicorn doctrine that got left behind

when all the other equitable principles boarded the Ark. That is because federal courts retain *all* their traditional equitable powers, including laches, in cases brought to enforce the Copyright Act. Therefore the judgments below should be affirmed.

II. The Lower Courts Properly Applied The Laches Defense In This Case

As a fallback to her submission that laches can never be applied in an action to enforce the Copyright Act, petitioner also argues that laches cannot bar either of the principal remedies available in civil actions to enforce that statute—*viz.*, "monetary remedies provided by § 504" or "injunctive relief" under "§ 502(a)." Pet. Br. 39, 47. The government argues that courts may consider "laches with respect to equitable but not legal relief." U.S. Br. 26–27.

These arguments were not presented or passed upon below, and should not be considered by this Court in the first instance. *See, e.g.*, *Cutter* v. *Wilkinson*, 544 U.S. 709, 718 n.7 (2005). In any event, the district court did not abuse its discretion in barring petitioner's copyright infringement claim in its entirety. *Gardner*, 342 U.S. at 30–31; *see also Morgan*, 536 U.S. at 121.

A. Laches May Bar An Entire Claim Regardless Of The Relief Sought

1. The government argues that because "petitioner sought damages as well as an injunction and profits, the courts below erred in invoking laches as a ground for barring the suit entirely." U.S. Br. 28. Under the government's approach, which has no support in history or precedent, the defendant would be forced to stand trial—even where the elements of laches have been proved at the outset—so long as the

plaintiff included a single request for "legal" damages in her prayer for relief. In egregious cases like this one, however, it would be both unfair and unjust to put the defendant to the expense of a trial on the merits. The government's efforts to sap laches of its vitality in those cases where it is needed most should be rejected.

To be clear: District courts undoubtedly have discretion to apply laches, in appropriate cases, to bar some *claims* but not others; or some *remedies* but not others. *See, e.g., McLean*, 96 U.S. at 253 (in trademark case, laches barred requests for accounting and profits, but not injunction). But this discretion runs both ways, and also allows courts, in appropriate cases, to bar the entire action. *See, e.g., McKnight*, 42 U.S. (1 How.) at 169 (plaintiffs' "own negligence can give them no right to call into action the powers" of the court and thus the entire "bill [must be] dismissed"); *see also* Restatement (Third) of Unfair Competition § 31 (1995) (trademark "owner may be barred in whole or in part" from relief based on laches).

This Court has recognized throughout its history that because delay in bringing suit can be "continued [for] so long and under such circumstances as to defeat the right itself" (*Menendez* v. *Holt*, 128 U.S. 514, 523 (1888)), laches may "bar[] a plaintiff from *maintaining a suit*." *Morgan*, 536 U.S. at 121 (emphasis added); *see also, e.g., City of Sherrill, N.Y.* v. *Oneida Indian Nation of N.Y.*, 544 U.S. 197, 203 (2005) (claimant barred by laches from reviving its claim "in whole or in part"); *Benedict* v. *City of New York*, 250 U.S. 321, 325 (1919) (affirming determination that entire "suit was barred by laches"); *Underwood* v. *Dugan*, 139 U.S. 380, 384 (1891) ("if laches is ever recognized as a *complete bar*, it ought to be in this

case") (emphasis added). The government's newfangled approach to laches cannot be squared with these precedents.

Indeed, just as it cannot be said that laches *always* bars an entire claim, it would be equally against the nature of equity to declare that it can *never* do so. "Equity eschews mechanical rules; it depends on flexibility." *Holmberg*, 327 U.S. at 396; *see also Am. Stores*, 495 U.S. at 284 (equitable remedies are "flexible and capable of ... reconciliation between the public interest and private needs as well as between competing private claims") (internal quotation mark and citation omitted).

This Court recently reaffirmed that equitable discretion is case-specific (*eBay*, 547 U.S. at 392–93), a holding that is fully consistent with the longstanding rule that the application of laches is "a question primarily addressed to the discretion of the trial court." *Gardner*, 342 U.S. at 30. The district court here exercised its discretion to determine that "[t]here are strong equitable arguments against allowing *this action* to proceed." Pet. App. 46a (emphasis added). Since petitioner never suggested below that a lesser sanction should be applied, the court could not have abused its discretion in dismissing her entire claim.

2. An entire claim may be precluded to prevent *evidentiary* prejudice, because where evidence necessary to defend against *liability* has been lost due to the claimant's unreasonable delay, a defendant is hamstrung in its ability to defend against the claim altogether, not just a particular remedy. In such cases, district courts must have the discretion to apply laches as a "complete bar." *Underwood*, 139 U.S. at 384 (prejudice included death of material witness-

es). Otherwise, courts may be forced "to grope after the truth of facts involved in the mists and obscurity consequent on ... a lapse of time" during which witnesses passed away and memories faded while a plaintiff sat on her rights. *Badger* v. *Badger*, 69 U.S. (2 Wall.) 87, 95 (1865); *see also Russell*, 309 U.S. at 287 (where "evidence is lost or obscured" from delay, laches protects against prejudice to defendant "if the *suit* were allowed") (emphasis added).

Copyright cases often are rife with factual disputes over access, authorship, ownership, and independent creation. Registration is only *prima facie* evidence of authorship and ownership (17 U.S.C. § 410(c)), and could be rendered irrebuttable by death or disappearance of witnesses or documents. Independent creation is a complete defense to a copyright action (*Repp* v. *Webber*, 132 F.3d 882, 889 (2d Cir. 1997)), and if a plaintiff waits until the authors have died, it may become impossible for the defendant to prove independent creation. Delay can thus render key evidence unavailable in a way that deprives a defendant of an available defense.

Petitioner and the government all but ignore the evidentiary prejudice to respondents that the district court found and relied on in applying laches. *See* Pet. Br. 11, 54–56; U.S. Br. 17. Moreover, a district court, in its discretion, may determine that expectations-based prejudice alone may warrant barring an entire claim—*e.g.*, where the delay is so unreasonable and the investment so great as to render the entire claim inequitable. *Danjaq*, 263 F.3d at 956. As explained in Part II.B.1. below, the district court's findings that respondents would be prejudiced by petitioner's unreasonable delay provide ample support for the dismissal of her entire claim.

3. Petitioner argues that laches cannot bar requests for "relief at law," including all of the monetary relief she seeks under the Copyright Act. Pet. Br. 47, 49–50; *see also* U.S. Br. 26–28. To the extent this argument has not been forfeited, it should be rejected.

a. This is not an action "at law," but a "civil action" asserting equitable claims, seeking equitable relief, and subject to equitable defenses. Fed R. Civ. P. 2, 8(c)(1). After 1938, "[r]eference to actions at law or suits in equity in all statutes should now be treated as referring to the civil action prescribed in these rules." Fed. R. Civ. P. 2 advisory committee note (1937). Defendants in any "civil action" under the merged Federal Rules may assert laches as an affirmative defense. *See* Fed. R. Civ. P. 8(c)(1) ("In responding to a pleading, a party must affirmatively state any avoidance or affirmative defense, including ... laches"); *Aukerman*, 960 F.2d at 1031 ("the right to interpose the equitable defense of laches in a civil action is specifically recognized" in Rule 8(c) and thus "we are unpersuaded that the technical distinction between application of laches against legal damages and an equitable accounting ... should be made"); *Maksym* v. *Loesch*, 937 F.2d 1237, 1247–48 (7th Cir. 1991).

Indeed, equitable defenses (including laches) were available in actions at law even before the merger. The Law and Equity Act of 1915 authorized equitable defenses "without having to resort to a separate bill in equity." *Aukerman*, 960 F.2d at 1031 (citing 38 Stat. 956, previously codified at 28 U.S.C. § 398). Under that statute, the district court, "exercising what is essentially an equitable jurisdiction, in effect grant[ed] or refuse[d] an injunction restraining proceedings at law." *Enelow* v. *N.Y. Life Ins. Co.*,

293 U.S. 379, 383 (1935), *rev'd on other grounds, Gulfstream*, 485 U.S. 271. It was "later repealed as being obsolete" in light of the Federal Rules. *Aukerman*, 960 F.2d at 1031; *see* Act of June 19, 1934, § 2, 48 Stat. 1064 (authorizing this Court to "secure one form of civil action and procedure for both" law and equity cases).

The Copyright Act's statute of limitations provides that "[n]o *civil action* shall be maintained ... unless it is commenced within three years after the claim accrued." 17 U.S.C. § 507(b) (emphasis added). By using the language of Rule 2 (which by then had been in force for a generation), Congress understood that all the affirmative defenses—including laches—listed in Rule 8 for "civil actions" would be available.

Accordingly, this Court and others have affirmed the application of laches in cases that, prior to 1938, would not have been brought in equity. *E.g.*, *Morgan*, 536 U.S. at 121 ("an employer may raise a laches defense, which bars a plaintiff from maintaining a suit [under Title VII] if he unreasonably delays in filing a suit and as a result harms the defendant"); *Cayuga Indian Nation of N.Y.* v. *Pataki*, 413 F.3d 266, 275 (2d Cir. 2005) (this Court's teachings do "not limit application of these equitable defenses to claims seeking equitable relief"); *Teamsters*, 283 F.3d at 881; *Aukerman*, 960 F.2d at 1031.

Petitioner and the government place great weight on the statement in *Mack* that "[l]aches within the term of the statute of limitations is no defense at law." 295 U.S. at 489; *see* Pet. Br. 28; U.S. Br. 26, 28. But whatever this observation meant before the 1938 merger of law and equity, it has no relevance now that the divided bench has been united. *See Aukerman*, 960 F.2d at 1031; *Maksym*, 937 F.2d at

1247–48. Most of the other cases petitioner cites for the proposition that laches does not apply to legal relief similarly predate the merger and are thus inapposite. Pet. Br. 50; *see also* U.S. Br. 26.

Petitioner's post-merger cases hold only that the Seventh Amendment right to a jury trial adheres when parties seek damages. *See Feltner* v. *Columbia Pictures Television, Inc.*, 523 U.S. 340, 353 (1998) (copyright); *Dairy Queen, Inc.* v. *Wood*, 369 U.S. 469, 477–78 (1962) (trademark). Even in such cases, the right to a jury trial attaches to all issues common to both legal and equitable claims brought in a single civil action. *Curtis* v. *Loether*, 415 U.S. 189, 196 n.11 (1974). Nothing in these cases suggests that available defenses can be limited based on the plaintiff's choice to seek legal, in addition to equitable, relief. Nor could such a limitation be constitutionally imposed. *See Rowan* v. *U.S. Post Office Dep't*, 397 U.S. 728, 739 (1970) (due process requires opportunity to raise "all available defenses ... to a competent tribunal").

That leaves just two post-merger cases in which this Court has, in the government's carefully chosen words, "discountenanced the application of a laches defense to bar legal relief." U.S. Br. 23 (citing *Merck*, 559 U.S. at 652; *Cnty. of Oneida, N.Y.* v. *Oneida Indian Nation of N.Y.*, 470 U.S. 226, 244 n.16 (1985)). But the question whether applying laches to a purely legal claim would be "novel" was not presented *or* decided in *Oneida*: After explaining that "we do not reach this issue" (470 U.S. at 244), the Court focused its limited discussion of laches on potential "inconsisten[cies] with established federal policy" if laches were applied in light of statutory protections of Indian tribal land—factors entirely absent here. *Id.* at 245 n.16. And the Court in *Merck* merely quoted one

line from a *pre-merger* laches case when analyzing the separate question of when a statutory limitations clock begins ticking. 559 U.S. at 652.

As both petitioner and the government concede (Pet. Br. 60; U.S. Br. 27), a prayer for legal relief does not preclude the application of *other* doctrines of equitable origin, such as estoppel, either before or after the merger. *See Kirk* v. *Hamilton*, 102 U.S. 68, 78 (1880) (despite estoppel's "deriv[ation] from courts of equity," its application "should [not] be restricted in courts of law") (citation omitted); Laycock Br. 25 ("Most of the other equitable defenses ... have been fully assimilated to law"). The same "reason for invoking laches or estoppel—the need to protect substantial and legitimate reliance—applies to legal as well as equitable remedies." Laycock Br. 18. When it comes to laches, there is no reason to maintain the pre-merger distinction between legal and equitable remedies. *Cf. Gulfstream*, 485 U.S. at 284 (rejecting same distinction in another context as an "intellectual infelicity" that proved "hopelessly unworkable in operation").

b. Petitioner is simply wrong to contend that all "[a]ctions seeking monetary relief for copyright infringement are actions at law." Pet. Br. 49. While petitioner seeks monetary relief, her complaint does not request *legal* damages, and thus the arguments petitioner and the government advance regarding legal relief are impermissible requests for an advisory opinion. *Muskrat* v. *Unites States*, 219 U.S. 346, 362–63 (1911).

Petitioner invokes *Feltner*, which held that *statutory damages* under the Copyright Act are legal remedies that trigger the Seventh Amendment right to a jury trial. 523 U.S. at 353. Petitioner, however, has

not sought statutory damages (J.A. 29–35) and therefore this point is irrelevant in the present context (although laches would be an available defense even if she had). As *Feltner* recognized, the Copyright Act also authorizes "actions for monetary relief that [this Court has] characterized as equitable, such as actions for disgorgement of improper profits." 523 U.S. at 352.

Petitioner has pleaded no out-of-pocket or consequential losses, and she does not seek damages for being unable to exploit the copyright herself. *See Mertens* v. *Hewitt Assocs.*, 508 U.S. 248, 255 (1993) (describing compensatory damages as "the classic form of legal relief") (emphasis omitted). Rather, she seeks only to recover the amounts "derived by" respondents from their alleged "copyright infringement." J.A. 34. Thus, the only form of monetary relief petitioner seeks is the precise remedy *Feltner* described as *equitable*: An apportionment of profits as authorized by the Copyright Act in infringement actions. 523 U.S. at 352; *see also* 17 U.S.C. § 504(b).

In *Sheldon* v. *Metro-Goldwyn Pictures Corp.*, 309 U.S. 390 (1940), this Court explained that before the enactment of the Copyright Act of 1909, courts had allowed a plaintiff to recover profits in a copyright action "as appropriate equitable relief incident to a decree for an injunction." *Id.* at 399. This relief followed "the principles governing equity jurisdiction" in that it was intended not to punish, "but to prevent an unjust enrichment." *Ibid.* Congress codified that form of relief in Section 25(b) of the Copyright Act of 1909—the predecessor of 17 U.S.C. § 504(b). *Sheldon*, 309 U.S. at 400. As a result, the present remedy of an accounting for profits was "based upon the same equitable principles in cases of copyright infringement" that equity courts had previously ap-

plied. *Id.* at 401; *see also* U.S. Br. 19; 4 Pomeroy, *supra*, § 1352, at 959 (for copyright and patent infringement, "[t]he ordinary form of relief is an accounting of profits and an injunction in equity").

Despite the equitable origin and nature of the disgorgement or apportionment of profits remedy, petitioner suggests that laches can *never* preclude such relief. Pet. Br. 47–49. The very cases petitioner relies upon elsewhere in her brief foreclose this contention. *Menendez*, 128 U.S. at 524 (laches barred accounting of profits in trademark action); *McLean*, 96 U.S. at 257 ("Cases frequently arise where a court of equity will refuse the prayer of the complainant for an account of gains and profits, on the ground of delay in asserting his rights"); *see also Haas*, 234 F. at 108 ("Equity will control its peculiar remedy of an account of profits according to its own sense of justice").

4. Petitioner is equally wrong in asserting that laches can *never* preclude injunctive relief. *See* Pet. Br. 38–44.

Petitioner's argument that barring injunctive relief would "amount to [a] compulsory uncompensated licens[e]" (Pet. Br. 38 (capitalization altered)) assumes that copyright owners are *always* entitled to injunctions to prevent infringement. But that is simply incorrect. *eBay*, 547 U.S. at 392–93 ("this Court has consistently rejected invitations to replace traditional equitable considerations with a rule that an injunction automatically follows a determination that a copyright has been infringed"). There are numerous reasons why a copyright owner cannot prevent another's use of her work. *See, e.g.*, 17 U.S.C. §§ 203(b)(1), 304(c)(6)(A) (copyright owner cannot enjoin continued use of derivative work after

author or heirs terminate the grant); *id.* § 304(a)(4)(A) (same where author or heirs fail to timely apply for renewal registration). This Court has also recognized that because "the fair use enquiry often requires close questions of judgment[,] ... the goals of the copyright law ... are not always best served by automatically granting injunctive relief." *Campbell* v. *Acuff-Rose Music, Inc.*, 510 U.S. 569, 578 n.10 (1994).

Unsurprisingly, the Court has squarely held that "[t]he defense of laches [can] be asserted" against a plaintiff's requests for "*injunctive remedies*." *Abbott Labs.*, 387 U.S. at 155 (emphasis added); *see also, e.g.*, *Saxlehner* v. *Nielsen*, 179 U.S. 43, 45 (1900) (finding that plaintiff was "guilty of laches ... preclude[d] her right to an injunction"); *Lane & Bodley*, 150 U.S. at 201 (laches barred injunctive relief in patent infringement suit); 2 Pomeroy, *supra*, § 418, at 170 n.3 ("in applications to restrain by injunction ..., the rule is well settled that ... a comparatively short delay may be laches sufficient to defeat [a plaintiff's] remedial right").

Petitioner, ignoring this long line of authority, rests her argument on a case in which the Court approved a lower court decision holding that laches barred the remedy of accounting but not the requested injunction. *Menendez*, 128 U.S. at 523–25; *see also McLean*, 96 U.S. at 258. But injunctions, like all of equity, are discretionary. *eBay*, 547 U.S. at 391. *Menendez* and *McLean* are thus nothing more than examples of a court's discretion to apply laches to bar an entire claim in some cases and only certain remedies in others depending on the evidence of prejudice before it. *Menendez*, 128 U.S. at 523; *McLean*, 96 U.S. at 253 ("Equity courts will not, *in general*, refuse an injunction on account of delay in seeking re-

lief, where the proof of infringement is *clear*") (emphases added).

"[I]n all ... petitions for equitable relief, he who seeks equity must do equity." *Koster* v. *(Am.) Lumbermens Mut. Cas. Co.*, 330 U.S. 518, 522 (1947); *accord* 2 Pomeroy, *supra*, § 418, at 170. Having asked a federal court to award equitable remedies, petitioner can hardly complain that the same court applied an equitable defense.

B. Petitioner's Entire Claim Is Barred By Her Unreasonable Delay And The Resulting Prejudice

The government's argument that the court of appeals applied an improper "presumption" in favor of laches (U.S. Br. 15–20) is one that petitioner does not advance. Accordingly, this Court should not reach it. *See, e.g., Atl. Marine Constr. Co.* v. *U.S. Dist. Court*, No. 12-929, slip op. 11 (U.S. Dec. 3, 2013).

In all events, neither the district court nor the Ninth Circuit *presumed* prejudice; rather, respondents *proved* that they were prejudiced by petitioner's unreasonable delay. This Court should not disturb the district court's discretionary, fact-bound judgment in this respect. *See, e.g., Goodman* v. *Lukens Steel Co.*, 482 U.S. 656, 665 (1987) ("both courts below having agreed on the facts, we are not inclined to examine the record for ourselves absent some extraordinary reason for undertaking this task"). Tellingly, petitioner does *not* argue in this Court that either of the courts below erred in its application of the laches doctrine to the undisputed facts of this case.

1. Laches applies where the claimant has waited unreasonably long to assert the claim, and the defendant is prejudiced by the resulting delay. *Costello*, 365 U.S. at 282. This was the standard applied

by the district court and the court of appeals. Pet. App. 7a–8a, 42a. The court of appeals recognized that *respondents* bore the burden to prove both of the *Costello* elements (Pet. App. 8a), then engaged in a detailed analysis of the undisputed facts the district court found supported each one (Pet. App. 9a–18a).

a. Petitioner waited *18 years* after her claim initially accrued before suing respondents for infringing her alleged rights in *Raging Bull*. As the court of appeals explained, it was "[u]ndisputed" that petitioner knew of her potential claim since 1991, the year she retained an attorney to file her renewal application for the 1963 screenplay. Pet. App. 9a (alteration in original); *see* Pet. App. 42a. And it was entirely foreseeable that respondents would continue to distribute *Raging Bull*.

The government intimates that it was improper for the district court to use the 1991 renewal date as the triggering event for laches (U.S. Br. 15), although it nowhere explains why, nor does it propose an alternative date. This Court has recognized that laches is measured from the beginning of a series of repeated wrongs precisely so that defendants are not left "defenseless" against prejudicial delay from a rolling limitations period. *See Morgan*, 536 U.S. at 121. As the courts below found—and petitioner does not dispute—that date was 1991 on the particularized (and undisputed) facts of this case.

Petitioner *conceded* that she waited to file because "the film was deeply in debt and in the red and would probably never recoup." J.A. 110. Petitioner could not recall "any other reason ... for not immediately making a claim in 1991, when [she] first engaged counsel." J.A. 111; *see also* Pet. App. 11a ("the evidence suggests the true cause of [petitioner's] de-

lay was, as she admits, that 'the film hadn't made money' during this time period").

This is precisely the brand of opportunism that the laches defense has guarded against throughout its existence: Laches "forbids a court of equity to interfere" where, "doing nothing himself," a plaintiff waits to see what the outcome of an investment will be. *McCabe* v. *Matthews*, 155 U.S. 550, 556 (1895); *see also Haas*, 234 F. at 108.

Petitioner belatedly asserted that her delay was caused by her need to care for family members. J.A. 294. Petitioner did not offer this excuse in her deposition, and as the court of appeals properly concluded, there was "no explanation" in the record "as to why or how [petitioner's] brother's disability and her mother's illnesses had any impact on her failure to file this lawsuit," making this justification "insufficient." Pet. App. 10a–11a. Her latest excuse—a supposed conflict of interest that admittedly has no support in the record (*see* Pet. Br. 7 & n.2)—likewise cannot suffice.

b. The record also amply demonstrated both expectations-based prejudice and evidentiary prejudice to respondents from petitioner's unreasonable delay.

i. The district court's finding of expectations-based prejudice is consistent with the canonical statement that it is inequitable for a copyright owner "to stand inactive while the proposed infringer spends large sums of money in its exploitation, and to intervene only when his speculation has proved a success." *Haas*, 234 F. at 108; *see also, e.g.*, *Wollensak* v. *Reiher*, 115 U.S. 96, 99 (1885); 2 Howard B. Abrams, *The Law of Copyright* § 13:48 (2012) (expectations-based prejudice includes the "coming into existence of business plans and relationships based on

reliance on the state of affairs challenged by the claims of the litigation").

Respondents have distributed *Raging Bull* continuously since the time petitioner first learned of her rights, "expend[ing] substantial financial and other resources as a part of this effort," including "costs related to marketing, advertising, distributing and otherwise promoting the Film in various media." J.A. 39. All told, respondents have invested nearly $8.5 million in U.S.-based promotion and distribution efforts alone since 1991, and have entered into numerous licensing and distribution agreements with multiple third parties. J.A. 40–41. Each of "[t]hese activities and expenditures [was] made based on the understanding and belief that [respondents] have complete ownership and control of the Film" (*ibid.*), and the legitimate expectation that, having taken all of the risk of investing their efforts and money, they would be entitled to all, not a portion of, the profits from such investment.

Contrary to the government's contention, the court of appeals did not conclude "simply" that respondents made "significant expenditures to market and distribute *Raging Bull*." U.S. Br. 18. Nor did the court credit petitioner's unsupported assertion that respondents "would not have done anything different[ly], or been in any better position, had the suit been filed sooner." Pet. App. 15a. Instead, the court concluded that respondents were *prejudiced* by these risky expenditures because they were made in justifiable reliance "upon their belief that they were the rightful owners of the right to exploit *Raging Bull*." Pet. App. 17a. This is not a case of willful or "deliberate pira[cy]." *Haas*, 234 F. at 108. Rather, respondents invested in this project (and forewent others) on the good-faith understanding that the 1976

assignment was valid and that Petrella's express representation that the book came first was both truthful and binding.

Allowing petitioner's claim to go forward would be an invitation for copyright trolls to wait for productive entities, like respondents, to invest enough to make a work profitable before filing suit. For this reason, expectations-based prejudice can warrant the invocation of laches. *See Underwood*, 139 U.S. at 383–84 (laches barred claim where property in question "bec[a]me of value" only after defendants had "occupied and improved the property in full reliance upon the sufficiency of the title they possessed").

ii. The district court also correctly determined that respondents would be prejudiced by the loss of evidence necessary to defend against petitioner's infringement claim.

Laches "'promote[s] justice'" by protecting against "'the revival of claims that have been allowed to slumber until evidence has been lost, memories have faded, and witnesses have disappeared.'" *Rothensies* v. *Elec. Storage Battery Co.*, 329 U.S. 296, 301 (1946) (citation omitted). For this reason, a claimant's unreasonable delay may bar her claim where loss of key evidence hinders the opponent's ability to mount its defense. *See, e.g.*, *Cnty. of Buena Vista*, 95 U.S. at 161.

The court of appeals, having found expectations-based prejudice, did not review the district court's finding of evidentiary prejudice. Pet. App. 12a. This Court, of course, may affirm on the basis of "specific findings of fact by the District Court, undisturbed by the Court of Appeals." *Ford Motor Co.* v. *EEOC*, 458 U.S. 219, 225 n.7 (1982); *see also Dandridge* v. *Williams*, 397 U.S. 471, 475 n.6 (1970) ("The prevailing

party may, of course, assert in a reviewing court any ground in support of his judgment"). Importantly, neither petitioner nor the government argues that the district court's evidentiary prejudice finding was clearly erroneous. *See, e.g.*, *Knowles* v. *Mirzayance*, 556 U.S. 111, 126 (2009) ("courts of appeals may not set aside a district court's factual findings unless those findings are clearly erroneous") (citing Fed. R. Civ. P. 52(a)).

The government concedes that evidentiary prejudice "is more likely [than expectations-based prejudice] to result from a long delay than from a short one." U.S. Br. 17 (citing *Russell*, 309 U.S. at 287 (prejudice may result when "in the normal course of events evidence is lost or obscured")). This is such a case.

Petitioner's infringement claim turns on contested issues of chronology and historical events. Resolving it would require careful, fact-specific inquiries into questions such as whether characters, settings, and snatches of dialogue in the screenplays and movie track historical reality rather than reflect dramatic license (which petitioner herself characterizes as a "critical issue," Pet. Br. 12); whether Petrella was the sole author of the 1963 screenplay or whether he co-authored it with LaMotta; and which of three separate works came first and which (if any) were derivative of the others. *See, e.g.*, Pet. App. 34a–42a. The copyright dates of the works cannot answer that question, nor can the content of the book—all of which except for the last couple of pages and a few photographs pertain to events prior to 1961. J.A. 165–92. Petitioner essentially concedes as much by premising her effort to contravene her late father's contractual representations on the "Heller letter" (Pet. Br. 10 n.4)—without telling the Court

that this evidence was ruled *inadmissible* by the district court. J.A. 293.

During the 18-year period of petitioner's delay, the three remaining witnesses to the critical facts became unavailable. Petrella's wife and LaMotta's ex-wife died during this period, and LaMotta himself became incapable of testifying. Pet. App. 46a. Petitioner takes the position that "historical fact witnesses are likely to be relatively unimportant" (Pet. Br. 17)—but she has to say that, since they are all dead or unavailable. Petitioner also argues that other persons—such as director Martin Scorsese and actor Robert De Niro (*id.* at 53 n.13)—could be called to testify, but they would have little to add to a dispute regarding authorship of works created by others years before the film was made.

As the district court recognized, evidentiary prejudice is concerned with whether specific, material witnesses are unavailable, not whether some peripheral person might be dragged into the dispute. Pet. App. 46a. This Court, too, has recognized that the unavailability of witnesses central to the defense before a claimant files suit is the quintessential example of evidentiary prejudice. *See, e.g.*, *Whitney* v. *Fox*, 166 U.S. 637, 648 (1897) (laches barred claim where claimant waited to file until "disease had so far deprived [defendant] of his reason and faculties that he could not sufficiently comprehend any matter of business submitted to him"); *Allore* v. *Jewell*, 94 U.S. 506, 512 (1876) (laches considers whether, during unexcused delay, "from the death of witnesses or other causes, a full presentation of the facts of the case had become impossible").

It is no answer to speculate that in some cases the claimant, rather than the defendants, might bear

the brunt of the loss of evidence over time. Pet. Br. 54; CSEL Br. 10–11. In such a case, the district court could decline to apply laches. In *this* case, by contrast, the district court made uncontested factual findings, on an undisputed record, that petitioner's unreasonable delay would prejudice *respondents'* ability to defend against petitioner's claim of copyright infringement. The court of appeals did not disturb that finding, and petitioner does not even challenge it in this Court. That is sufficient for purposes of this case. *See, e.g., Graver Tank & Mfg. Co.* v. *Linde Air Prods. Co.*, 336 U.S. 271, 275 (1949) ("this Court ... cannot undertake to review concurrent findings of fact by two courts below in the absence of a very obvious and exceptional showing of error").

2. Ignoring all this *evidence*, the government seizes on a drive-by quotation from another decision at the outset of the court of appeals' opinion (Pet. App. 8a (quoting *Miller* v. *Glenn Miller Prods., Inc.*, 454 F.3d 975, 997 (9th Cir. 2006) (per curiam))), which the government asserts was an "invocation and application" of a *presumption* that laches applies if any part of the alleged misconduct occurred outside the statutory limitations period. U.S. Br. 15. This lone sentence—and not any legal or factual analysis performed by the courts below—forms the basis for the government's reversal recommendation. *Id.* at 15–18. Yet, even beside petitioner's failure to raise this issue, this Court "reviews judgments, not statements in opinions." *Black* v. *Cutter Labs.*, 351 U.S. 292, 297 (1956).

The "presumption" issue is a red herring. The government has not established that the court below even applied such a presumption, much less that it was both erroneous and prejudicial. *See, e.g., Neder* v. *United States*, 527 U.S. 1, 9–10 (1999) (evidentiary

presumptions are subject to harmless error review). On the contrary, the district court (which nowhere mentioned a "presumption") made extensive, specific, detailed findings of fact, on an extensive and undisputed record, regarding both of the elements of the laches defense. Whether laches bars a specific claim "is a question primarily addressed to the discretion of the trial court." *Gardner*, 342 U.S. at 30. The court of appeals reviewed the entire record and found no abuse of discretion. Petitioner does not even challenge that determination, and this Court has no warrant to revisit it—and certainly no license to find any abuse of the discretionary powers traditionally exercised by federal courts.

* * *

With full knowledge of her alleged rights, petitioner bided her time under the bridge for 18 years, waiting for *Raging Bull* to become profitable at the expense and to the detriment of respondents, before belatedly jumping out and demanding her toll. The district court in its equitable discretion determined that petitioner's delay was so unreasonable, and the expectancy and evidentiary prejudice to respondents so great, that petitioner's entire claim was barred by laches. That decision was squarely within the district court's constitutional, statutory, and equitable authority, and was not an abuse of discretion.

CONCLUSION

The judgments below should be affirmed.

Respectfully submitted.

MARK A. PERRY
Counsel of Record
THEODORE B. OLSON
G. BRINTON LUCAS
LINDSAY S. SEE
GIBSON, DUNN & CRUTCHER LLP
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036
(202) 955-8500
mperry@gibsondunn.com

JONATHAN ZAVIN
WOOK HWANG
LOEB & LOEB LLP
345 Park Avenue
New York, New York 10154
(212) 407-4000

DAVID GROSSMAN
ROBERT J. CATALANO
LOEB & LOEB LLP
10100 Santa Monica Boulevard
Los Angeles, California 90067
(310) 282-2000

BLAINE H. EVANSON
GIBSON, DUNN & CRUTCHER LLP
333 South Grand Avenue
Los Angeles, California 90071
(213) 229-7228

Counsel for Respondents

December 16, 2013

APPENDIX

APPENDIX

17 U.S.C. § 507 provides:

§ 507. Limitations on actions

(a) Criminal Proceedings.—Except as expressly provided otherwise in this title, no criminal proceeding shall be maintained under the provisions of this title unless it is commenced within 5 years after the cause of action arose.

(b) Civil Actions.—No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued.

Act of March 3, 1915, ch. 90, 38 Stat. 956, previously codified at 28 U.S.C. § 398 (former Law and Equity Act) provides:

CHAP. 90.—An Act To amend an Act entitled "An Act to codify, revise, and amend the laws relating to the judiciary," approved March third, nineteen hundred and eleven.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to codify, revise, and amend the laws relating to the judiciary," approved March third, nineteen hundred and eleven, be and the same is hereby, amended by inserting after section two hundred and seventy-four thereof three new sections, to be numbered, re-

spectively, two hundred and seventy-four a, two hundred and seventy-four b, and two hundred and seventy-four c, reading as follows:

"SEC. 274a. That in case any of said courts shall find that a suit at law should have been brought in equity or a suit in equity should have been brought at law, the court shall order any amendments to the pleadings which may be necessary to conform them to the proper practice. Any party to the suit shall have the right, at any stage of the cause, to amend his pleadings so as to obviate the objection that his suit was not brought on the right side of the court. The cause shall proceed and be determined upon such amended pleadings. All testimony taken before such amendment, if preserved, shall stand as testimony taken before such amendment, if preserved, shall stand as testimony in the cause with like effect as if the pleadings had been originally in the amended form.

"SEC. 274b. That in all actions at law equitable defenses may be interposed by answer, plea, or replication without the necessity of filing a bill on the equity side of the court. The defendant shall have the same rights in such case as if he had filed a bill embodying the defense of seeking the relief prayed for in such answer or plea. Equitable relief respecting the subject matter of the suit may thus be obtained by answer or plea. In case affirmative relief is prayed in such answer or plea, the plaintiff shall file a replication. Review of the judgment or decree entered in such case shall be regulated by rule of court. Whether such review be sought by writ of error or by appeal the appellate court shall have full power to render such judgment upon the records as law and justice shall require.

"SEC. 274c. That where, in any suit brought in or removed from any State court to any district of the United States, the jurisdiction of the district court is based upon the diverse citizenship of the parties, and such diverse citizenship in fact existed at the time the suit was brought or removed, though defectively alleged, either party may amend at any stage of the proceedings and in the appellate court upon such terms as the court may impose, so as to show on the record such diverse citizenship and jurisdiction, and thereupon such suit shall be proceeded with the same as though the diverse citizenship had been fully and correctly pleaded at the inception of the suit, or, if it be a removed case, in the petition for removal."

Approved, March 3, 1915

Act of June 19, 1934, ch. 651, 48 Stat. 1064 provides:

AN ACT

To give the Supreme Court of the United States authority to make and publish rules in actions at law.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Supreme Court of the United States shall have the power to prescribe, by general rules, for the district courts of the United States and for the courts of the District of Columbia, the forms of process, writs, pleadings, and motions, and the practice and procedure in civil actions at law. Said rules shall neither abridge, enlarge, nor modify the substantive rights of any litigant. They shall take effect six months after their promulga-

tion, and thereafter all laws in conflict therewith shall be of no further force or effect.

Sec. 2. The court may at any time unite the general rules prescribed by it for cases in equity with those in actions at law so as to secure one form of civil action and procedure for both: *Provided, however*, That in such union of rules the right of trial by jury as at common law and declared by the seventh amendment to the Constitution shall be preserved to the parties inviolate. Such united rules shall not take effect until they shall have been reported to Congress by the Attorney General at the beginning of a regular session thereof and until after the close of such session.

Approved, June 19, 1934

Federal Rule of Civil Procedure 2 provides:

Rule 2. One Form of Action

There is one form of action—the civil action.

* * *

NOTES OF ADVISORY COMMITTEE ON RULES—1937

1. This rule modifies U.S.C., Title 28, [former] § 384 (Suits in equity, when not sustainable). U.S.C., Title 28, §§ 723 and 730 [see 2071 et seq.] (conferring power on the Supreme Court to make rules of practice in equity), are unaffected insofar as they relate to the rule making power in admiralty. These sections, together with § 723b [see 2072] (Rules in actions at law; Supreme Court authorized to make) are continued insofar as they are not inconsistent with § 723c [see 2072] (Union of equity and action at law rules; power of Supreme Court). See

Note 3 to Rule 1. U.S.C., Title 28, [former] §§ 724 (Conformity act), 397 (Amendments to pleadings when case brought to wrong side of court) and 398 (Equitable defenses and equitable relief in actions at law) are superseded.

2. Reference to actions at law or suits in equity in all statutes should now be treated as referring to the civil action prescribed in these rules.

3. This rule follows in substance the usual introductory statements to code practices which provide for a single action and mode of procedure, with abolition of forms of action and procedural distinctions. Representative statutes are N.Y. Code 1848 (Laws 1848, ch. 379) § 62; N.Y.C.P.A. (1937) § 8; Calif. Code Civ. Proc. (Deering, 1937) § 307; 2 Minn. Stat. (Mason, 1927) § 9164; 2 Wash. Rev. Stat. Ann. (Remington, 1932) §§ 153, 255.

* * *

Federal Rule of Civil Procedure 8 provides:

Rule 8. General Rules of Pleading

(a) CLAIM FOR RELIEF. A pleading that states a claim for relief must contain:

(1) a short and plain statement of the grounds for the court's jurisdiction, unless the court already has jurisdiction and the claim needs no new jurisdictional support;

(2) a short and plain statement of the claim showing that the pleader is entitled to relief; and

(3) a demand for the relief sought, which may include relief in the alternative or different types of relief.

(b) DEFENSES; ADMISSIONS AND DENIALS.

(1) *In General.* In responding to a pleading, a party must:

(A) state in short and plain terms its defenses to each claim asserted against it; and

(B) admit or deny the allegations asserted against it by an opposing party.

(2) *Denials—Responding to the Substance.* A denial must fairly respond to the substance of the allegation.

(3) *General and Specific Denials.* A party that intends in good faith to deny all the allegations of a pleading—including the jurisdictional grounds—may do so by a general denial. A party that does not intend to deny all the allegations must either specifically deny designated allegations or generally deny all except those specifically admitted.

(4) *Denying Part of an Allegation.* A party that intends in good faith to deny only part of an allegation must admit the part that is true and deny the rest.

(5) *Lacking Knowledge or Information.* A party that lacks knowledge or information sufficient to form a belief about the truth of an allegation must so state, and the statement has the effect of a denial.

(6) *Effect of Failing to Deny.* An allegation—other than one relating to the amount of damages—is admitted if a responsive pleading is required and the allegation is not denied. If a responsive pleading is not required, an allegation is considered denied or avoided.

(c) AFFIRMATIVE DEFENSES.

(1) *In General*. In responding to a pleading, a party must affirmatively state any avoidance or affirmative defense, including:

- accord and satisfaction;
- arbitration and award;
- assumption of risk;
- contributory negligence;
- duress;
- estoppel;
- failure of consideration;
- fraud;
- illegality;
- injury by fellow servant;
- laches;
- license;
- payment;
- release;
- res judicata;
- statute of frauds;
- statute of limitations; and
- waiver.

(2) *Mistaken Designation*. If a party mistakenly designates a defense as a counterclaim, or a counterclaim as a defense, the court must, if justice requires, treat the pleading as though it were correctly designated, and may impose terms for doing so.

(d) PLEADING TO BE CONCISE AND DIRECT; ALTERNATIVE STATEMENTS; INCONSISTENCY.

(1) *In General.* Each allegation must be simple, concise, and direct. No technical form is required.

(2) *Alternative Statements of a Claim or Defense.* A party may set out 2 or more statements of a claim or defense alternatively or hypothetically, either in a single count or defense or in separate ones. If a party makes alternative statements, the pleading is sufficient if any one of them is sufficient.

(3) *Inconsistent Claims or Defenses.* A party may state as many separate claims or defenses as it has, regardless of consistency.

(e) CONSTRUING PLEADINGS. Pleadings must be construed so as to do justice.

* * *

NOTES OF ADVISORY COMMITTEE ON RULES—1937

Note to Subdivision (a). See [former] Equity Rules 25 (Bill of Complaint—Contents), and 30 (Answer—Contents—Counterclaim). Compare 2 Ind. Stat. Ann. (Burns, 1933) §§ 2-1004, 2-1015; 2 Ohio Gen. Code Ann. (Page, 1926) §§ 11305, 11314; Utah Rev. Stat. Ann. (1933), §§ 104-7-2, 104-9-1.

See Rule 19(c) for the requirement of a statement in a claim for relief of the names of persons who ought to be parties and the reason for their omission.

See Rule 23(b) for particular requirements as to the complaint in a secondary action by shareholders.

Note to Subdivision (b). 1. This rule supersedes the methods of pleading prescribed in U.S.C., Title 19, § 508 (Persons making seizures pleading general issue and providing special matter); U.S.C., Title 35, [former] §§ 40d (Providing under general issue, upon

notice, that a statement in application for an extended patent is not true), 69 [now 282] (Pleading and proof in actions for infringement) and similar statutes.

2. This rule is, in part, [former] Equity Rule 30 (Answer—Contents—Counterclaim), with the matter on denials largely from the Connecticut practice. See Conn. Practice Book (1934) §§ 107, 108, and 122; Conn. Gen. Stat. (1930) §§ 5508–5514. Compare the English practice, English Rules Under the Judicature Act (The Annual Practice, 1937) O. 19, r.r. 17-20.

Note to Subdivision (c). This follows substantially English Rules Under the Judicature Act (The Annual Practice, 1937) O. 19, r. 15 and N.Y.C.P.A. (1937) § 242, with "surprise" omitted in this rule.

Note to Subdivision (d). The first sentence is similar to [former] Equity Rule 30 (Answer—Contents—Counterclaim). For the second sentence see [former] Equity Rule 31 (Reply—When Required—When Cause at Issue). This is similar to English Rules Under the Judicature Act (The Annual Practice, 1937) O. 19, r.r. 13, 18; and to the practice in the States.

Note to Subdivision (e). This rule is an elaboration upon [former] Equity Rule 30 (Answer—Contents—Counterclaim), plus a statement of the actual practice under some codes. Compare also [former] Equity Rule 18 (Pleadings—Technical Forms Abrogated). See Clark, Code Pleading (1928), pp. 171-4, 432-5; Hankin, Alternative and Hypothetical Pleading (1924), 33 Yale L.J. 365.

Note to Subdivision (f). A provision of like import is of frequent occurrence in the codes. Ill. Rev. Stat. (1937) ch. 110, § 157(3); 2 Minn. Stat. (Mason, 1927)

§ 9266; N.Y.C.P.A. (1937) § 275; 2 N.D. Comp. Laws Ann. (1913) § 7458.

* * *

REPLY BRIEF

RECORD
AND
BRIEFS

No. 12-1315

Supreme Court, U.S.
FILED
JAN - 3 2013
OFFICE OF THE CLERK

In The

Supreme Court of the United States

PAULA PETRELLA,

Petitioner.

v.

METRO-GOLDWYN-MAYER, INC., et al.,

Respondents.

On Writ Of Certiorari To The United States Court Of Appeals For The Ninth Circuit

PETITIONER'S REPLY BRIEF

GLEN L. KULIK
KULIK GOTTESMAN & SIEGEL LLP
15303 Ventura Boulevard
Suite 1400
Sherman Oaks, CA 91403
(310) 557-9200

STEPHANOS BIBAS
Counsel of Record
JAMES A. FELDMAN
NANCY BREGSTEIN GORDON
UNIVERSITY OF PENNSYLVANIA LAW SCHOOL
SUPREME COURT CLINIC
3501 Sansom Street
Philadelphia, PA 19104
(215) 746-2297
sbibas@law.upenn.edu

COCKLE LEGAL BRIEFS (800) 225-6964
WWW.COCKLELEGALBRIEFS.COM

Library of Congress
Law Library

TABLE OF CONTENTS

Page

Table of Contents i

Table of Authorities ii

Introduction 1

I. The Copyright Act's Statute of Limitations Precludes Laches Within the Limitations Period 2

A. Laches, a Judicial Timeliness Doctrine, Conflicts with Statutes of Limitations Prescribed by Congress 2

B. The Case for Precluding Laches Is Particularly Strong Under the Copyright Act 13

II. Laches Cannot Bar Either Injunctive or Monetary Relief for Copyright Infringement 16

A. Laches Is No Bar, Let Alone an Automatic Threshold Bar, to Injunctive Relief 16

B. The Equitable Defense of Laches Cannot Bar Relief at Law 20

III. Even if Laches Applied, the Decisions Below Applied the Wrong Legal Standard, Failing to Require Proof of Material Net Prejudice 23

IV. The Issues Are Properly Preserved and Fairly Included Within the Question Presented 25

Conclusion 26

TABLE OF AUTHORITIES

Page

CASES

A.C. Aukerman v. *R.L. Chaides*, 960 F.2d 1020 (Fed. Cir. 1992) 15

Abbott Labs. v. *Gardner*, 387 U.S. 136 (1967) 13

Alsop v. *Riker*, 155 U.S. 448 (1894) 11

Bailey v. *Glover*, 88 U.S. (21 Wall.) 342 (1874) 7

Bay Area Laundry v. *Ferbar*, 522 U.S. 192 (1997) 13

Blanch v. *Koons*, 485 F. Supp. 2d 516 (S.D.N.Y. 2007) 15

California v. *Am. Stores*, 495 U.S. 271 (1990) 13

Danjaq LLC v. *Sony Corp.*, 263 F.3d 942 (9th Cir. 2001) 25

eBay v. *MercExchange*, 547 U.S. 388 (2006) 17

Eldred v. *Ashcroft*, 537 U.S. 186 (2003) 16

Gabelli v. *SEC*, 133 S. Ct. 1216 (2013) 7

Godden v. *Kimmell*, 99 U.S. 201 (1879) 11

Great-W. Life & Annuity Ins. v. *Knudson*, 534 U.S. 204 (2002) 23

Grupo Mexicano v. *Alliance*, 527 U.S. 308 (1999) 20, 21

Holland v. *Florida*, 130 S. Ct. 2549 (2010) 7, 24

Holmberg v. *Armbrecht*, 327 U.S. 392 (1946) 1, 8, 9

Irwin v. *Dep't of Veterans Affairs*, 498 U.S. 89 (1990) 7

TABLE OF AUTHORITIES – Continued

Page

Johnson v. *Ry. Express*, 421 U.S. 454 (1975) 7

Lampf, Pleva, Lipkind, Prupis & Petigrow v. *Gilbertson*, 501 U.S. 350 (1991).....7

Ledbetter v. *Goodyear*, 550 U.S. 618 (2007).....2, 3, 4

McKnight v. *Taylor*, 42 U.S. 161 (1843).....11

Menendez v. *Holt*, 128 U.S. 514 (1888) 16

Merck v. *Reynolds*, 559 U.S. 633 (2010).....12, 21, 23

Moses v. *Macferlan*, 97 Eng. Rep. 676 (K.B. 1760) 23

Nat'l R.R. Passenger Corp. v. *Morgan*, 536 U.S. 101 (2002).....2, 3

Nicholas v. *United States*, 257 U.S. 71 (1921).....13

Norris v. *United States*, 257 U.S. 77 (1921).....13

O'Brien v. *Wheelock*, 184 U.S. 450 (1902).....11

Occidental Life Ins. v. *EEOC*, 432 U.S. 355 (1977).....13

Order of R.R. Telegraphers v. *Ry. Express*, 321 U.S. 342 (1944).....5

Pace v. *DiGuglielmo*, 544 U.S. 408 (2005) 7

Patterson v. *Hewitt*, 195 U.S. 309 (1904) 10, 11

Root v. *Lake Shore & M.S. Ry.*, 105 U.S. 189 (1881).....22

Russell v. *Todd*, 309 U.S. 280 (1940).....4, 9, 10, 11

Saxlehner v. *Eisner & Mendelson*, 179 U.S. 19 (1900).....16

TABLE OF AUTHORITIES – Continued

Page

Sid & Marty Krofft v. *McDonald's*, 562 F.2d 1157 (9th Cir. 1977) 22

Swofford v. *B & W*, 336 F.2d 406 (5th Cir. 1964) 22

Teamsters v. *Gorman*, 283 F.3d 877 (7th Cir. 2002) 10

TRW v. *Andrews*, 534 U.S. 19 (2001) 7, 12

United States v. *Brockamp*, 519 U.S. 347 (1997) 7

United States v. *Mack*, 295 U.S. 480 (1935) 11, 12, 21

Whitney v. *Fox*, 166 U.S. 637 (1897) 11

Yee v. *Escondido*, 503 U.S. 519 (1992) 26

Young v. *United States*, 535 U.S. 43 (2002) 7

STATUTES

28 U.S.C. §1658(b)(1) 12

28 U.S.C. §1658(b)(2) 12

29 U.S.C. §1399(b)(1) 13

Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541 ..... *passim*

17 U.S.C. §502 21

17 U.S.C. §504 21

17 U.S.C. §504(b) 22, 24

17 U.S.C. §504(c)(1) 22

Lanham Trademark Act of 1946, 15 U.S.C. §§1051-1141n 14

TABLE OF AUTHORITIES – Continued

Page

Patent Act of 1952, ch. 950, 66 Stat. 792 15

35 U.S.C. §271(a) 15

Rules Enabling Act, 28 U.S.C. §2072(b) 12, 20, 21

RULES

FED. R. CIV. P. 2 20

FED. R. CIV. P. 8(c)(1) 20

S. CT. R. 14.1(a) 26

OTHER AUTHORITIES

1 DAN B. DOBBS, LAW OF REMEDIES (2d ed. 1993)

§2.4(4) 4

§2.6(1) 5

ROBERT P. MERGES ET AL., INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE (5th ed. 2010) 15

3-12 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT §12.06[A] (2013) 14

1 GEORGE E. PALMER, THE LAW OF RESTITUTION (1978)

§2.1 23

§2.2 23

TABLE OF AUTHORITIES – Continued

Page

RESTATEMENT (THIRD) OF RESTITUTION AND UNJUST ENRICHMENT §4(1) & cmt. a (2011) 22

4 CHARLES ALAN WRIGHT ET AL., FEDERAL PRACTICE AND PROCEDURE §1043 (3d ed. 2013) 20

INTRODUCTION

By specifying a three-year limitations period for copyright infringement suits, Congress precluded recourse to laches. Laches, a timeliness doctrine, is a *substitute* for statutes of limitations, unlike tolling and other interpretive tools used in *applying* the terms of statutes of limitations. Thus, once Congress enacts a statute of limitations, courts may not use laches to constrict its time period. Moreover, allowing laches to bar all injunctive relief would permanently deprive copyright holders of their property right to exclude infringers. It would effectively grant infringers free licenses for decades, overriding the Copyright Act's compensation requirements and limits on compulsory licensing. And laches, an equitable doctrine, cannot limit remedies at law, such as monetary relief.

This Court has never held that laches may bar claims filed within a congressionally prescribed limitations period, and indeed held to the contrary four years ago. Accepting respondents' invitation to change course now would add laches as an issue in virtually every federal case hitherto governed by a federal statute of limitations. "If Congress explicitly puts a limit upon the time for enforcing a right which it created, there is an end of the matter. The Congressional statute of limitation is definitive." *Holmberg* v. *Armbrecht*, 327 U.S. 392, 395 (1946). That rule applies with particular force to the Copyright Act, which specifies its own statutory safeguards against financial and evidentiary prejudice.

The decisions below presumed laches and applied the wrong legal standards for prejudice, without requiring any proof of net harm to respondents. And they treated laches as an automatic threshold bar to all relief, which respondents concede is impermissible. Br. 37. All of the issues are properly preserved, fairly included within the question presented, and require reversal of the judgment below.

I. The Copyright Act's Statute of Limitations Precludes Laches Within the Limitations Period

Respondents urge this Court to hold, for the first time, that laches may bar claims brought within federal statutes of limitations, a holding that could have widespread effects across federal law. As it has before, this Court should reject respondents' argument, which is supported only by inapposite precedents and strained analogies.

A. Laches, a Judicial Timeliness Doctrine, Conflicts with Statutes of Limitations Prescribed by Congress

1. *This Suit, Unlike* Morgan *and* Ledbetter, *Is Timely Under the Separate Accrual Rule.* Under the separate accrual rule, each discrete copyright infringement is actionable for three and only three years, not "indefinitely." *Compare* Resp'ts Br. 8-9, 18, 32-33 *with* Pet'r Br. 19-24; U.S. Br. 12-14. Each time an infringer opts to distribute an infringing work, he commits a new and distinct wrong. *Compare* Resp'ts

Br. 31 (mislabeling each wrong an "identical claim") *with* Pet'r Br. 24. Thus, an infringer is liable for infringements committed within three years of the filing of suit, but insulated from liability for earlier infringements.

Respondents never dispute that the separate accrual rule applies here. Br. 30-34. Accordingly, they err in relying upon *National Railroad Passenger Corp.* v. *Morgan* thirteen times. 536 U.S. 101 (2002). *Morgan* nowhere implies that laches may bar claims for discrete wrongs occurring entirely within the limitations period. Section II.A of that opinion, dealing with the separate accrual rule, held that "[e]ach discrete discriminatory act starts a new clock for filing charges alleging that act," regardless of whether "past acts" are already time-barred. *Id.* at 113. Section II.B of the opinion *distinguished* such separately accruing wrongs from hostile-work-environment claims, which, unlike separately accruing wrongs, are continuing violations that remain actionable even if components of the violation predated the limitations period. *Id.* at 115-17; *see* Pet'r Br. 23 n.6. Section II.C, on which respondents attempt to rely, then suggested that defendants may plead laches as to "hostile work environment claims that extend over long periods of time." 536 U.S. at 121. Thus, laches may limit the continuing violation doctrine's ability to rescue *untimely* claims that "extend over long periods of time" but cannot limit claims that accrued separately within the limitations period.

Respondents likewise err in citing *Ledbetter* v. *Goodyear*, 550 U.S. 618, 623 (2007). Br. 18. *Ledbetter*

recognized that "if an employer engages in a series of acts each of which is intentionally discriminatory, then a fresh violation takes place when each act is committed." *Id.* at 628. But the plaintiff in *Ledbetter* could not prove intentionally discriminatory acts within the statutory filing period. *Id.* Arguing that laches would suffice to protect employers, she sought an expansive interpretation of "discriminatory conduct" to prevent the limitations period from running, but "Congress took a diametrically different approach." *Id.* at 628, 632. *Ledbetter* concluded: "[S]trict adherence to the procedural requirements specified by the legislature is the best guarantee of evenhanded administration of the law." *Id.* at 632 (internal quotation marks omitted).

2a. *Laches, a Timeliness Doctrine, Substitutes for Statutes of Limitations Rather than Complementing Them.* Historically, statutes of limitations applied only at law. Equity developed "the doctrine of laches" as "its own rule of limitations" to compensate for "the absence of any statute of limitations." *Russell* v. *Todd*, 309 U.S. 280, 287 (1940). When federal courts sat in equity or adjudicated state-law claims, they borrowed state statutes of limitations but were not bound to apply them strictly or to the exclusion of laches. *See id.* at 287, 290, 293-94. Thus, laches developed not to supplement governing statutes of limitations, but to fill gaps left by their absence. "This traditional function suggests that laches should be limited to cases in which no statute of limitations applies." 1 DOBBS, LAW OF REMEDIES §2.4(4), at 104 (2d ed. 1993); *accord id.*

§2.6(1), at 152 ("When laches is invoked to bar a claim ... permitted under an appropriate statute of limitations, however, the defense has little place in a modern scheme of procedure and justice.").

Functionally, laches and limitations periods are alternative means to the same end: timeliness. *Order of R.R. Telegraphers* v. *Ry. Express*, 321 U.S. 342, 348-49 (1944). Statutes of limitations are clear rules, while laches is a three-factor standard. Statutes of limitations specify timeliness clearly, ex ante, instead of delegating the issue to judges ex post. Laches leaves it to courts to balance the length of, reasons for, and prejudice resulting from delay. Pet. App. 8a. Here, Congress determined that a three-year delay by definition *is* too long, *is* unreasonable, and *is* a rough-and-ready proxy for prejudice, while a shorter period is none of these things. Courts have no license to override Congress's decision to govern the timeliness of copyright claims through a statute of limitations, which reflects the Copyright Act's goals of clarity and predictability. Pet'r Br. 58-59. Applying laches would conflict with Congress's determination and forfeit the benefits of Congress's easily applied, bright-line rule.

Respondents assert that laches serves very different goals from those of statutes of limitations. Laches, they contend, is at root a case-specific weighing of the equities and not simply about delay. Resp'ts Br. 15-16. The "equities" that respondents invoke, however, are solely those of defendants. Nowhere do respondents or the Ninth Circuit suggest that the prejudice suffered by plaintiffs in losing the core

value of their copyrights plays any role in the analysis. *See infra* pp.16-18.

The Ninth Circuit not only failed to balance the equities, but based its decision on a presumption in favor of laches, triggered entirely by delay: "[I]f any part of the alleged wrongful conduct occurred outside of the limitations period, courts presume that the plaintiff's claims are barred by laches." Pet. App. 8a. As the government notes, that delay-based approach conflicts with the three-year period specified by Congress for each claim: "The practical effect of the court of appeals' approach is to treat that initial infringing act, rather than the acts of infringement for which the plaintiff seeks to recover, as the presumptive triggering event for the three-year period within which suit must be filed." U.S. Br. 16. It also reverses the burden of proof on an affirmative defense. U.S. Br. 15.

b. Respondents concede that the Copyright "Act includes no express 'wording inviting recourse to laches.'" Br. 24 (quoting Pet'r Br. 31). They nevertheless argue that courts may read laches into statutes of limitations just as they read equitable tolling and discovery rules into them. Br. 26. But "[w]hile tolling is an established background principle *for interpreting words of accrual and time periods in statutes of limitations*, laches is not." Pet'r Br. 15 (emphasis added). Respondents distort our reasoning by quoting this sentence shorn of the italicized phrase. Br. 26.

Unlike laches, one cannot have either tolling or discovery rules without time periods to interpret in the first place. Tolling (and discovery) rules are "interrelated with" statutes of limitations; they grew up alongside them as ways to interpret them. *Johnson* v. *Ry. Express*, 421 U.S. 454, 464 (1975). "[T]olling" interprets how to compute "the chronological length of the limitation period" specified in the statute of limitations. *Id.* Discovery rules interpret when a claim first "accrues" within the meaning of the statute of limitations. *But cf. TRW* v. *Andrews*, 534 U.S. 19, 38 (2001) (Scalia, J., concurring in judgment) (objecting to injury-discovery rules on separation-of-powers grounds). But as respondents concede, no words in the Copyright Act's statute of limitations even arguably invite laches. *See* Br. 24. Thus, all the tolling and discovery-rule cases cited by respondents are inapposite. Br. 24, 26-27 (citing *Brockamp*, *Holland*, *Young*, *Pace*, *Irwin*, *Bailey*, *Gabelli*, and *Lampf*).

Respondents likewise fail in analogizing laches to equitable estoppel. Br. 25. Laches is a timeliness doctrine, requiring that a delay be long, unreasonable, and prejudicial. Equitable estoppel, by contrast, requires no proof of delay at all. Instead, it focuses on wrongdoing, overt action, and detrimental reliance. The elements of equitable estoppel are far more demanding than those of laches. Pet'r Br. 60-63; Pet. App. 25a-27a. Laches evolved as a substitute for statutes of limitations; equitable estoppel did not. When Congress enacted the Copyright Act's statute of

limitations in 1957, estoppel had long applied at law, while laches had not. Pet'r Br. 60-61. All of these considerations that distinguish estoppel also distinguish the other non-timeliness equitable defenses cited by respondents. Br. 24. Thus, only laches conflicts with legislative time periods.

Finally, respondents claim that there is no authority for allowing other equitable doctrines, but not laches, to be "'read into every federal statute of limitation.'" Br. 25 (quoting *Holmberg*, 327 U.S. at 397). But there is ample authority: contrast the extensive history of tolling and discovery rules, which are *always* applied as glosses on the meaning of statutory time limits, with that of laches, which this Court has *never* applied to shorten a federal statutory time period. *Holmberg* itself made the point directly. The passage quoted above provided that *equitable tolling for fraudulent concealment* is a background rule for giving statutes of limitations a "mitigating construction." 327 U.S. at 397. But two pages earlier, *Holmberg* explained that "[t]he Congressional statute of limitations is definitive," and courts turn to laches only when "Congress is silent .... le[aving] the limitation of time ... to judicial implications." *Id.* at 395. The legislative history of the Copyright Act's statute of limitations cited and discussed *Holmberg*'s background rule of tolling, showing that Congress expected tolling but not laches to apply. Pet'r Br. 35-36 & n.8.

3. *Courts May Not Apply Laches to Constrict Limitations Periods Prescribed by Congress.* Under

this Court's decisions, laches cannot bar suits brought within an express statute of limitations. Pet'r Br. 28-29. While non-timeliness defenses may bar claims within the congressionally prescribed period, the timeliness defense of laches cannot. *Contra* Resp'ts Br. 21. Respondents' and the government's efforts to distinguish this Court's decisions are unavailing. Respt's Br. 19-20; U.S. Br. 22-23.

a. In *Holmberg*, this Court distinguished actions governed by federal statutes of limitations from those that are not. The former leave no room for laches; the latter do. "If Congress explicitly puts a limit upon the time for enforcing a right which it created, there is an end of the matter. The Congressional statute of limitation is definitive." 327 U.S. at 395. "The rub comes when Congress is silent." *Id.* "Traditionally," legislatures did not enact limitations periods that "controll[ed] ... equitable relief." *Id.* at 396. Instead, congressional silence delegated timeliness rules to "judicial implication," letting courts "adopt the local law of limitation" for federal claims at law or apply laches to federal claims in equity. *Id.* at 395-96. The *Holmberg* Court remanded for a laches inquiry only *after* determining that no federal or state statute of limitations governed the action. *Id.* at 397-98.

b. *Russell* addressed whether to apply laches or a borrowed state statute of limitations to a federal suit in equity. 309 U.S. at 287. Laches, this Court noted, is a doctrine developed in equity to rectify "the absence of any statute of limitations made applicable

to equity suits." *Id.* If a state statute of limitations would apply to state equitable causes of action, federal courts may borrow it "as a substitute or supplement for the equitable doctrine of laches." *Id.* at 293; *accord id.* at 290. But that borrowing is flexible: "Federal courts of equity have not considered themselves obligated to apply local statutes of limitations when they conflict with equitable principles...." *Id.* at 288 n.1. Because federal courts "apply [local statutes only] by analogy.... [l]aches may bar equitable remed[ies] before the *local* statute has run." *Id.* (emphasis added). That approach, however, applies only "in the absence of a controlling act of Congress." *Id.* at 293. *Cf. Teamsters* v. *Gorman*, 283 F.3d 877, 880-81 (7th Cir. 2002) (Posner, J.) (citation omitted) ("When Congress fails to enact a statute of limitations, a court that borrows a state statute of limitations but permits it to be abridged by the doctrine of laches is not invading congressional prerogatives. It is merely filling a legislative hole.").

As *Russell* establishes, the old decisions of this Court cited by respondents are inapposite, because they involved local, not congressional, statutes of limitations applicable only by analogy. Resp'ts Br. 17-18, 22; *see* U.S. Br. 22. Such local statutes often did not even apply to the equitable claims at issue, and only one claim was held timely even under the analogous local statute. *See Patterson* v. *Hewitt*, 195 U.S. 309, 318-19 (1904) (barring equitable claim despite timeliness under New Mexico statute of limitations, but noting that "[i]n an action at law, courts are

bound by the literalism of the statute [and cannot consider] ... unreasonable delay within the statutory limitation"); *Alsop* v. *Riker*, 155 U.S. 448, 460-61 (1894) (noting that delay exceeded New York's six-year statute of limitations, but Court may have rested on laches instead because equitable claim was not governed by statute of limitations).[1]

As *Russell* later observed, *Patterson* and *Alsop* were about the non-binding analogy by which "federal courts of equity" borrow "the *local* statute" of limitations to supplement or supplant laches. 309 U.S. at 288 n.1, 290, 293 (emphasis added). That logic is inapplicable to congressional timeliness rules. The Court had no occasion in any of these borrowed-limitations cases to consider the separation-of-powers concerns that are controlling here and that preclude courts from applying laches to constrict a federal statutory limitations period.

c. Finally, *United States* v. *Mack* recognized that "[l]aches within the term of the statute of limitations

---

[1] *See also O'Brien* v. *Wheelock*, 184 U.S. 450, 493 (1902) ("the cause of action ... would seem to have been barred by [the five-year local] statute" because of nine-year delay, so by analogy court in equity applied laches to equitable claim); *Whitney* v. *Fox*, 166 U.S. 637, 647-48 (1897) (not disturbing lower court's finding that equitable claims were also barred by Utah statute of limitations); *Godden* v. *Kimmell*, 99 U.S. 201, 201-02 (1879) (never mentioning a governing or even analogous statute of limitations for this equitable claim); *McKnight* v. *Taylor*, 42 U.S. 161, 168 (1843) (equitable action for "account[ing]" not governed by and thus "not barred by the act of limitations").

is no defense at law." 295 U.S. 480, 489 (1935). Respondents answer that *Mack* predated the merger of law and equity. Br. 40. But the merger did not "abridge, enlarge or modify any substantive right," including any defense. 28 U.S.C. §2072(b); *infra* pp.20-21.

Just four years ago, this Court quoted and followed *Mack*, holding that a party's negligent delay cannot be used to effectively shorten a congressional statute of limitations. *Merck* v. *Reynolds*, 559 U.S. 633, 652 (2010). In attempting to distinguish *Merck*, respondents propose the novel and illogical theory that laches may shorten statutes of limitations but not statutes of repose. Br. 27. But in any event, the provision at issue in *Merck* was *not* the five-year statute of repose in 28 U.S.C. §1658(b)(2), but the ordinary, two-year statute of limitations in §1658(b)(1). 559 U.S. at 652-53. Even as to that ordinary, two-year statute of limitations, this Court held that it "[could]not reconcile [laches principles] with the statute." *Id.*; Resp'ts Br. 28. *Merck*'s holding and reasoning compel reversal here.

The separation of powers leaves it to Congress to determine which claims are timely. Courts may make timeliness determinations only when Congress has failed to do so. Judges should resist altering statutory limitations periods, for "'otherwise the court would make the law instead of administering it.'" *TRW*, 534 U.S. at 38 (Scalia, J., concurring in judgment). As judge-made law, laches is displaced by statutory law.

4. The other decisions of this Court cited by respondents neither applied laches nor suggested that it could apply within congressional statutes of limitations. Resp'ts Br. 18, 33; *see supra* pp.3-4; *California* v. *Am. Stores*, 495 U.S. 271, 296 (1990) (emphasis added) (noting in passing, without mentioning statute of limitations, that while laches "*may* protect consummated transactions .... [s]uch questions, however, are not presented in this case"); *Occidental Life Ins.* v. *EEOC*, 432 U.S. 355, 372-73 (1977) (emphasis added) (suggesting remedial flexibility as appropriate remedy for "[t]he *absence* of inflexible time limitations" for EEOC resolution of Title VII complaints).

Bay Area Laundry v. *Ferbar*, 522 U.S. 192, 205 (1997), considered laches only to construe the governing statute, which required that the relevant parties act "as soon as practicable," 29 U.S.C. §1399(b)(1). The Copyright Act contains no comparable mandate.[2]

B. The Case for Precluding Laches Is Particularly Strong Under the Copyright Act

1. *The Copyright Act.* Respondents say surprisingly little about the Copyright Act itself. They cite Learned Hand, laches' supposed "'pedigree'" under

---

[2] Respondents' remaining cases neither mentioned the statute of limitations nor applied laches. *Abbott Labs.* v. *Gardner*, 387 U.S. 136, 155 (1967); *Nicholas* v. *United States*, 257 U.S. 71, 75, 77 (1921) (resting holding on petitioner's "abandonment of his title to the office"); *Norris* v. *United States*, 257 U.S. 77, 80-82 (1921) (relying on *Nicholas*).

pre-1957 copyright decisions, and decisions under other statutes without limitations periods. Br. 7, 12-14, 31-32; *see* U.S. Br. 23-24. But cases decided "at a time that the Copyright Act itself lacked an explicit statute of limitations" cannot resolve whether the 1957 statute of limitations displaced laches. 3-12 NIMMER ON COPYRIGHT §12.06[A] n.6 (2013). Respondents overlook copyright law's particular deference to Congress and its policies of clarity and predictability. Pet'r Br. 25-28, 58-59. They slight the Copyright Act's careful statutory safeguards against financial and evidentiary prejudice. Pet'r Br. 47-48, 54-56. And they largely ignore the former Register of Copyrights' amicus brief, which explains how laches undercuts the Copyright Act's registration system and undermines its solicitude for modest copyright holders. Oman Br.

2. *Trademark and Patent Law Are Different.* Copyright law differs significantly from patent and trademark law in ways that explain their divergent approaches to laches. Pet'r Br. 31; U.S. Br. 25 n.5; AIPLA Br. 16-23 & n.12.

Unlike the Copyright Act, the Lanham Act expressly authorizes laches and lacks a statute of limitations. Congress understood the tradeoff between the two timeliness doctrines, and it chose one for the Lanham Act and the other for the Copyright Act. Pet'r Br. 31; Resp'ts Br. 29. Congress's judgment should be respected.

In asking this Court to borrow laches from patent law, respondents slight the Patent Act's significantly different text and legislative history, which have been construed to show an intent to authorize laches. *Compare* Br. 28 *with* Pet'r Br. 31-32. Nothing in the Copyright Act evinces a comparable intent. Moreover, even when laches is applied to patent infringement, it does not bar prospective injunctive relief. *A.C. Aukerman* v. *R.L. Chaides*, 960 F.2d 1020, 1040-41 (Fed. Cir. 1992). Yet the decision below barred prospective as well as retrospective relief. Thus, even if the Patent Act preserved laches and applied here, it would compel reversal of the judgment below.

Patent law lacks many of copyright law's obstacles to proving infringement: in particular, it requires no proof of access or copying and does not exempt independent creation. *See* CSEL Br. 4-7; MERGES ET AL., INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE 416-17 (5th ed. 2010). Unlike an author, an inventor can be liable simply for "mak[ing], us[ing], offer[ing] to sell, or sell[ing] any patented invention" or even an equivalent, whether or not he has copied it. 35 U.S.C. §271(a). Thus, unlike an author, an inventor cannot know whether he will infringe another's invention without expending substantial search costs, making him vulnerable to surprise litigation by patent trolls and others. *Cf. Blanch* v. *Koons*, 485 F. Supp. 2d 516, 518 (S.D.N.Y. 2007) ("[Copyright] litigation is a risk [the artist who appropriates another's art] knowingly incurs when he copies the other's work."); JA 128 (confirming that respondents knew of

petitioner's potential claims by 1990). Congress may also have believed that the lower threshold for patent infringement and broader scope of patents warranted stricter limitations on the length of a patentee's monopoly. *Cf. Eldred* v. *Ashcroft*, 537 U.S. 186, 216-17 (2003). If anything, the contrast with trademark and patent law confirms that laches cannot apply to copyrights.

II. Laches Cannot Bar Either Injunctive or Monetary Relief for Copyright Infringement

A. Laches Is No Bar, Let Alone an Automatic Threshold Bar, to Injunctive Relief

1. A copyright is a property right, encompassing the right to exclude others from using the property. That property right, as well as the Copyright Act's registry and greater specificity, sets copyright apart from antitrust and employment-discrimination law. *See* Chamber of Commerce Br. 8-9; Oman Br. Thus, laches may not bar injunctive relief except in the "rare[ ]" cases where the "circumstances" rise to "the elements of an estoppel" and so "defeat the right itself." *Menendez* v. *Holt*, 128 U.S. 514, 523-24 (1888). An owner's mere "knowledge and silence" create at most a revocable license, not an estoppel that would defeat the right and bar prospective relief. *Id.* at 524; Pet'r Br. 38-39; *Saxlehner* v. *Eisner & Mendelson*, 179 U.S. 19, 39 (1900). The Ninth Circuit's presumption in favor of laches, its lax tests for prejudice, and its use of laches to bar all relief conflict with this demanding standard.

We do not, as respondents suggest, advocate automatic injunctive relief. Br. 44-45. Rather, we submit, courts may not adopt doctrines that effectively ban injunctive relief, for that would conflict with the traditional test affirmed in *eBay* v. *MercExchange*, 547 U.S. 388, 391-94 (2006). Pet'r Br. 39-42. To the extent that laches determines untimeliness, it conflicts with statutes of limitations; to the extent that it resolves issues of prejudice and equities, it conflicts with *eBay*. In weighing injunctive relief, courts may not apply laches, which is based on delay and considers only prejudice to the defendant. They must instead balance prejudice to defendants against prejudice to plaintiffs and the public interest. The Ninth Circuit's automatic foreclosure of all injunctive relief short-circuits that equitable balancing.

Likewise, courts may not adopt rules that foreclose injunctive relief and thereby amount to free compulsory licenses. That would conflict with the Copyright Act's careful limits on and compensation requirements for compulsory licenses. Pet'r Br. 43-44. Respondents all but ignore this point. There are of course other *statutory* defenses to injunctive relief. Resp'ts Br. 44-45. But banning injunctive relief effectively deprives petitioner of her copyright, which extends four decades past respondents' licensing agreements. That remedy would be disproportionate to any harm suffered, giving infringers windfalls such as the right to film a remake decades later or simply to keep exploiting petitioner's copyright decades after

they cease any new investment. The proper remedy is not to ban injunctive relief. If infringers prove sufficient prejudice, courts can instead consider tailoring injunctions' scope and duration to accommodate existing obligations. Pet'r Br. 42 n.10, 45-47.

2. Respondents concede that "it cannot be said that laches *always* bars an entire claim." Br. 37. That concession alone requires reversal of the judgment below, which treated laches as an automatic threshold bar to the entire suit. Nowhere did either court below consider the traditional test for injunctive relief. Nowhere did either court even consider whether a lesser remedy than outright dismissal could allay any prejudice. Instead, because "any part of the alleged wrongful conduct occurred outside of the limitations period, [the] court[ ] [of appeals] presume[d] that the plaintiff's claims *are barred* by laches." Pet. App. 8a (emphasis added); *accord id.* at 18a.

The United States' position is sounder. Br. 28-29. If laches is available at all, it should apply at most at the remedial stage, so the court may apply the traditional test for injunctive relief and make any adjustment to compensate for prejudice. *See id.* at 24 (noting that Judge Learned Hand did not bar suit entirely but disallowed particular remedies).

3. Respondents nevertheless contend that laches can bar suits entirely to prevent evidentiary prejudice. Br. 37-38. The Ninth Circuit's decision below expressly did "not consider evidentiary prejudice," so it is not at issue here. Pet. App. 12a. Moreover, by

protecting heirs' reversionary rights *after* authors' deaths, Congress deliberately chose to accept substantial delays and the deaths of likely key witnesses. Pet'r Br. 52-54. And the Copyright Act's burden of proof and document-based focus allay evidentiary prejudice. Pet'r Br. 54-56. Delay generally benefits defendants, so plaintiffs have every incentive not to delay. CSEL Br. 10-11. Respondents have not identified even a trickle of stale claims in the five circuits that disallow or restrict laches far more than the Ninth Circuit does. Finally, there are less drastic remedies than barring suits entirely. Pet'r Br. 56 n.16. In practice, evidentiary prejudice is not a significant problem. CSEL Br. 11-14.

Respondents' argument that this Court should affirm based on the *district court*'s evidentiary prejudice ruling cannot be taken seriously. Respondents now concede that they "do not seek to task petitioner with any delay before her father died in 1981 or she filed her renewal registration in 1991." Resp'ts Br. 32-33. Yet the district court relied in part precisely on the deaths of petitioner's father in 1981 and Joseph Carter in 1984. Pet. App. 46a; Pet'r Br. 53 & n.15. Respondents (like the district court) also disregard that it is evidentiary *prejudice* that is the subject of their inquiry. The district court (and respondents) relied on the death of Mr. LaMotta's ex-wife Vickie. Pet. App. 46a; Br. 52. But she had divorced him in 1957, years before any of the writings at issue. *See* JA 175-77, 187. Respondents offer no reason to believe that she would have had any probative evidence to

offer. The district court (and respondents) also relied on the death of petitioner's mother. Pet. App. 45a-46a; Br. 52. It is extraordinarily *un*likely that petitioner's mother (or father), had they lived to testify, would have offered evidence favorable to *respondents*. In any event, as will likely be true in most such cases, the documentary evidence is weighty and largely speaks for itself. Pet'r Br. 10-11, 54-55.

B. The Equitable Defense of Laches Cannot Bar Relief at Law

1. *The Merger Did Not Change Substantive Law or Defenses*. Respondents claim that this case "is not an action 'at law,' but a post-merger 'civil action' that is subject to equitable defenses." Br. 20. The "General Rules of Pleading" do mention laches amidst the laundry list of affirmative defenses that sometimes apply to some civil actions. FED. R. CIV. P. 8(c)(1). But Federal Rule of Civil Procedure 2 simply merged the rigid forms of action, eliminating *procedural* barriers to raising equitable defenses in suits at law. It did not expand equitable defenses to bar suits that they could not have barred before the merger. "The rules have not abrogated the distinction between equitable and legal remedies. Only the procedural distinctions have been abolished." 4 CHARLES ALAN WRIGHT ET AL., FEDERAL PRACTICE AND PROCEDURE §1043 (3d ed. 2013); *accord Grupo Mexicano* v. *Alliance*, 527 U.S. 308, 322 (1999). The Rules Enabling Act explicitly limits the new rules to procedure, providing that they "shall not abridge, enlarge or modify any

substantive right." 28 U.S.C. §2072(b). This Court rejected a similar argument about the effect of merger on equity in *Grupo Mexicano*. Congress, rather than courts, should make changes to traditional equity practice where they are necessary. 527 U.S. at 322. Thus, just four years ago, this Court followed *Mack*'s pre-merger holding that laches cannot bar actions at law. *Merck*, 559 U.S. at 652.

2. *The Copyright Act's Monetary Remedies Are Legal.* Respondents mischaracterize this suit as seeking purely equitable relief. They construe the complaint as seeking not actual or statutory damages but only recovery of profits, and then argue that "an accounting for profits" is an equitable remedy. Br. 43-44. Their argument is deeply flawed.

First, the Copyright Act authorizes equitable remedies (injunctions) in one provision. 17 U.S.C. §502. It groups together legal remedies in a separate provision, authorizing recovery of either actual damages including profits or statutory damages. *Id.* §504. Petitioner sought legal remedies authorized by Section 504.

Second, petitioner's prayer for relief does not use the word "profits" and is not limited to profits. It seeks "Plaintiff's damages derived by Defendants from their copyright infringement" and leaves computation to later "proof." JA 34. The body of the complaint sought "the monetary damage [petitioner] has suffered" as well as "the profits" reaped from infringement. JA

30-31; *see* U.S. Br. 4 ("Petitioner's complaint sought damages and various forms of equitable relief."). She remains free to elect statutory damages "at any time before final judgment is rendered." 17 U.S.C. §504(c)(1).

Third, the remedy of recovery of profits was available both at law and in equity. Laycock Br. 19-20 (noting "a serious historical argument" that a plaintiff could "avoid the bar of laches by couching his claim for profits as legal, sounding in quasi-contract"). Recovery of profits "is recognized as well at law as one of the measures, though not the limit, for the recovery of damages." *Root* v. *Lake Shore & M.S. Ry.*, 105 U.S. 189, 215 (1881) (patents). The availability of profits in both fora avoided the need for parties seeking injunctions to file duplicative suits at law to recover. *Id.* at 207-08; *Swofford* v. *B & W*, 336 F.2d 406, 411 (5th Cir. 1964) (patents); *Sid & Marty Krofft* v. *McDonald's*, 562 F.2d 1157, 1175 (9th Cir. 1977) (copyrights). Here, the Copyright Act specifically includes profits as overlapping and in tandem with actual damages and does *not* use the phrase "accounting for profits" relied on by respondents' authorities. *Compare* Br. 43-44 *with* 17 U.S.C. §504(b).

Finally, causes of action seeking restitution for unjust enrichment were available both at law and in equity. RESTATEMENT (THIRD) OF RESTITUTION AND UNJUST ENRICHMENT §4(1) & cmt. a, at 27-28 (2011) (rejecting the "common misconception that liabilities or remedies described in terms of 'unjust enrichment' are necessarily equitable in origin"). The canonical

description of restitution came from Lord Mansfield sitting on the King's Bench, a court of law. *Moses* v. *Macferlan*, 97 Eng. Rep. 676, 678 (K.B. 1760). Courts of law ordered restitution through quasi-contract, in common-law actions for assumpsit. Courts of equity ordered restitution by impressing funds with constructive trusts or otherwise transferring title to specific property. 1 PALMER, THE LAW OF RESTITUTION §2.1 at 51, §2.2 at 59 (1978).

Thus, the distinction between law and equity depends on the procedural device used to recover. The remedies of constructive trusts and equitable liens, for identifiable, traceable money or property, are equitable. *Great-W. Life & Annuity Ins.* v. *Knudson*, 534 U.S. 204, 213-14 (2002). But the remedy of quasi-contract, imposing mere personal liability for a sum of money, is legal. *Id.* at 213. Here (as in *Merck*), petitioner seeks no identified pot of money traceable to infringements, but only the amounts of her damages, including net profits as their measure. Her prayer for monetary relief is legal and thus immune from the equitable defense of laches.

III. Even if Laches Applied, the Decisions Below Applied the Wrong Legal Standard, Failing to Require Proof of Material Net Prejudice

This Court granted certiorari to review the legal question presented by the court of appeals' ruling. As they did in opposing certiorari, respondents seek affirmance on the basis of the *district court*'s application

of flawed precedent. Br. 46-54; Opp. 11-15. But even if laches were available, it would require infringers to affirmatively prove material net prejudice resulting from any delay – an inquiry neither court below undertook. Thus, if laches were available, the proper course would be to remand for application of the correct legal standard. *Holland* v. *Florida*, 130 S. Ct. 2549, 2565 (2010). In any event, the district court's evidentiary prejudice rulings are mistaken. *Supra* pp.19-20. Its arguments about financial prejudice (which respondents call "expectations-based prejudice," Br. 48) are similarly defective. The courts below found financial prejudice simply because respondents invested money and entered into distribution agreements to promote *Raging Bull* after 1991. Pet. App. 12a-14a, 44a-45a. They rejected out of hand petitioner's arguments that respondents "earned a substantial profit" on those interim expenditures and "would not have done anything different, or been in any better position, had the suit been filed sooner." Pet. App. 14a-15a; *see id.* at 45a. They failed to consider the Copyright Act's provisions for computing profits "attributable to the infringement" and deducting respondents' promotion and marketing expenses, forgone investments, and the like. 17 U.S.C. §504(b).

Delay alone does not harm infringers. On the contrary, works are usually most profitable and generate the most revenue immediately after their release. *See* CSEL Br. 11. Delay of suit until later acts of infringement lets infringers keep early profits, which are likely larger early in a work's lifespan. *Id.*;

U.S. Br. 17-18. And investments often produce net profits, not prejudice. U.S. Br. 17-18. "Respondents' evidence therefore falls well short of establishing that they would have been better off if petitioner had filed her infringement suit at an earlier date." U.S. Br. 18-19. As the government rightly notes, the correct test is whether delay causes net prejudice – *i.e.*, makes an infringer worse off overall. *Id.* That will seldom hold true and may be addressed by the Copyright Act's flexible remedies. U.S. Br. 19-20.

Here, respondents' protestations of prejudice ring particularly hollow. They have known since 1990 of petitioner's potential claims yet kept infringing and investing, even after petitioner repeatedly asserted her rights. Pet'r Br. 62; JA 128. Having taken calculated risks in the face of petitioner's claims, they cannot now claim to have been inequitably harmed.

IV. The Issues Are Properly Preserved and Fairly Included Within the Question Presented

Petitioner never "conceded that 'the equitable defense of laches could apply to a copyright infringement claim,'" as respondents twice misstate. Br. 6, 22; *see id.* at 4. She merely noted circuit precedent: "*In that case* [*Danjaq*], *the Ninth Circuit held that* the equitable defense of laches could apply to a copyright infringement claim." Pet'r C.A. Br. 38 (emphasis added to words omitted by respondents). Nor has she failed to challenge the Ninth Circuit's presumption of

laches or the prejudice standards and findings below. Pet. 4, 23-24; Cert. Reply 1, 10 & n.3; Pet'r Br. 12, 46-49, 53-56 & n.15. Those issues, as well as the availability of legal and equitable relief, are fairly included within the question presented: whether "laches is available without restriction to bar all remedies." Pet. i; S. Ct. R. 14.1(a); Cert. Reply 10. *Cf. Yee* v. *Escondido*, 503 U.S. 519, 534 (1992) (allowing "any argument in support of th[e] claim" – here, laches in copyright).

CONCLUSION

The court of appeals' judgment should be reversed.

Respectfully submitted,

GLEN L. KULIK
KULIK GOTTESMAN & SIEGEL LLP
15303 Ventura Boulevard
Suite 1400
Sherman Oaks, CA 91403
(310) 557-9200

STEPHANOS BIBAS
Counsel of Record
JAMES A. FELDMAN
NANCY BREGSTEIN GORDON
UNIVERSITY OF PENNSYLVANIA
LAW SCHOOL
SUPREME COURT CLINIC
3501 Sansom Street
Philadelphia, PA 19104
(215) 746-2297
sbibas@law.upenn.edu

January 3, 2014

AMICUS CURIAE BRIEF

Supreme Court, U.S.
FILED
NOV 2 2 2013
OFFICE OF THE CLERK

RECORD
AND
BRIEFS

No. 12-1315

In the Supreme Court of the United States

PAULA PETRELLA, PETITIONER

v.

METRO-GOLDWYN-MAYER, INC., ET AL.

ON WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

BRIEF FOR THE UNITED STATES AS AMICUS CURIAE SUPPORTING PETITIONER

DONALD B. VERRILLI, JR.
Solicitor General
Counsel of Record
STUART F. DELERY
Assistant Attorney General
MALCOLM L. STEWART
Deputy Solicitor General
NICOLE A. SAHARSKY
Assistant to the Solicitor General
SCOTT R. MCINTOSH
DARA S. SMITH
Attorneys

Department of Justice
Washington, D.C. 20530-0001
SupremeCtBriefs@usdoj.gov
(202) 514-2217

QUESTION PRESENTED

Whether and under what circumstances laches may bar relief on a claim of copyright infringement brought within the three-year limitations period set out in 17 U.S.C. 507(b).

TABLE OF CONTENTS

Page

Interest of the United States 1
Statement 2
Summary of argument 7
Argument:
When a copyright infringement claim is brought within the limitations period in 17 U.S.C. 507(b), laches may limit equitable but not legal relief 9
A. Under the Copyright Act's statute of limitations, a plaintiff's suit is timely with respect to all acts of infringement that occurred within the three-year period before suit was filed, even if the suit was filed more than three years after the defendant's overall course of infringing conduct began 10
B. The court of appeals erred in applying a presumption that, because respondents' allegedly infringing conduct began more than three years before petitioner's suit was filed, petitioner's claims are barred by laches 15
C. A claim for copyright infringement brought within three years of the allegedly infringing act, and seeking both legal and equitable relief, is not subject to dismissal based on laches 20
Conclusion 30
Appendix — Statutory provisions 1a

TABLE OF AUTHORITIES

Cases:

A.C. Aukerman Co. v. *R.L. Chaides Constr. Co.*, 960 F.2d 1020 (Fed. Cir. 1992) 25
Alsop v. *Riker*, 155 U.S. 448 (1894) 22, 26
Astoria Fed. Sav. & Loan Ass'n v. *Solimino*, 501 U.S. 104 (1991) 25
Badger v. *Badger*, 69 U.S. (2 Wall.) 87 (1865) 21

Cases—Continued: Page

Bay Area Laundry & Dry Cleaning Pension Trust Fund v. *Ferbar Corp. of Cal.*, 522 U.S. 192 (1997) 11
Bouchat v. *Baltimore Ravens Ltd. P'ship*, 619 F.3d 301 (4th Cir. 2010) 12
Bowman v. *Wathen*, 42 U.S. (1 How.) 189 (1843) 21
Bridgeport Music, Inc. v. *Rhyme Syndicate Music*, 376 F.3d 615 (6th Cir. 2004) 13
Callaghan v. *Myers*, 128 U.S. 617 (1888) 23
Chesapeake & Del. Canal Co. v. *United States*, 250 U.S. 123 (1919) 23
Chirco v. *Crosswinds Cmtys., Inc.*, 474 F.3d 227 (6th Cir.), cert. denied, 551 U.S. 1131 (2007) 16, 27
Costello v. *United States*, 365 U.S. 265 (1961) 21
County of Oneida, N.Y. v. *Oneida Indian Nation*, 470 U.S. 226 (1985) 23, 27
D.O. Haynes & Co. v. *Druggists' Circular*, 32 F.2d 215 (2d Cir. 1929) 23
eBay Inc. v. *MercExchange, L.L.C.*, 547 U.S. 388 (2006) 29
Edwin L. Wiegand Co. v. *Harold E. Trent Co.*, 122 F.2d 920 (3rd Cir. 1941), cert. denied, 316 U.S. 667 (1942) 23
Environmental Def. Fund, Inc. v. *Alexander*, 614 F.2d 474 (5th Cir.), cert. denied, 449 U.S. 919 (1980) 22, 27
Gabelli v. *SEC*, 133 S. Ct. 1216 (2013) 11
Galliher v. *Cadwell*, 145 U.S. 368 (1892) 22
Godden v. *Kimmell*, 99 U.S. 201 (1879) 22, 26
Grand Canyon Trust v. *Tucson Elec. Power Co.*, 391 F.3d 979 (9th Cir. 2004) 5
Guaranty Trust Co. v. *United States*, 304 U.S. 126 (1938) 23

Cases—Continued: Page

Haas v. *Leo Feist, Inc.*, 234 F. 105 (S.D.N.Y. 1916) 24
Holmberg v. *Armbrecht*, 327 U.S. 392 (1946) 18, 23
Hoste v. *Radio Corp. of Am.*, 654 F.2d 11 (6th Cir. 1981) 16
Ivani Contracting Corp. v. *City of N.Y.*, 103 F.3d 257 (2d Cir.), cert. denied, 520 U.S. 1211 (1997).....21, 27
Johnson v. *Railway Express Agency, Inc.*, 421 U.S. 454 (1975) 10
Klehr v. *A.O. Smith Corp.*, 521 U.S. 179 (1997).....13, 14
Lane & Bodley Co. v. *Locke*, 150 U.S. 193 (1893) 21
Lyons P'ship, L.P. v. *Morris Costumes, Inc.*, 243 F.3d 789 (4th Cir. 2001) 27
Mackall v. *Casilear*, 137 U.S. 556 (1890) 21, 26
Makedwde Publ'g Co. v. *Johnson*, 37 F.3d 180 (5th Cir. 1994).....13, 16
Maksym v. *Loesch*, 937 F.2d 1237 (7th Cir. 1991) 27
Merck & Co. v. *Reynolds*, 559 U.S. 633 (2010) 23
Miller v. *Glenn Miller Prods., Inc.*, 454 F.3d 975 (9th Cir. 2006).....6, 15
National R.R. Passenger Corp. v. *Morgan*, 536 U.S. 101 (2002) 13
New Era Publ'ns Int'l, ApS v. *Henry Holt & Co.*, 873 F.2d 576 (2d Cir. 1989), cert. denied, 493 U.S. 1094 (1990) 27
New York City v. *Pine*, 185 U.S. 93 (1902) 21
Order of R.R. Telegraphers v. *Railway Express Agency, Inc.*, 321 U.S. 342 (1944) 10
Patterson v. *Hewitt*, 195 U.S. 309 (1904).....22, 26
Peter Letterese & Assocs., Inc. v. *World Inst. of Scientology Enters., Int'l*, 533 F.3d 1287 (11th Cir. 2008).....13, 28
Rawlings v. *Ray*, 312 U.S. 96 (1941).....11

Cases—Continued: Page

Roley v. *New World Pictures, Ltd.*, 19 F.3d 479 (9th Cir. 1994) 13, 16
Russell v. *Todd*, 309 U.S. 280 (1940) 17, 21, 22, 27
Sheldon v. *Metro-Goldwyn Pictures Corp.*, 309 U.S. 390 (1940) 19
Stewart v. *Abend*, 495 U.S. 207 (1990) 4
Stone v. *Williams*, 970 F.2d 1043 (2d Cir. 1992), cert. denied, 508 U.S. 906 (1993) 12, 13
Taylor v. *Meirick*, 712 F.2d 1112 (7th Cir. 1983) 13
United States v. *Beebe*, 127 U.S. 338 (1888) 23
United States v. *Mack*, 295 U.S. 480 (1935) 26, 28
United States v. *Verdier*, 164 U.S. 213 (1896) 23
Werner Co. v. *Encyclopaedia Britannica Co.*, 134 F. 831 (3d Cir. 1905) 23
West Publ'g Co. v. *Edward Thompson Co.*, 169 F. 833 (C.C.E.D.N.Y. 1909) 23
Whitney v. *Fox*, 166 U.S. 637 (1897) 22
William A. Graham Co. v. *Haughey*, 568 F.3d 425 (3d Cir.), cert. denied, 558 U.S. 991 (2009) 12, 13
Zenith Radio Corp. v. *Hazeltine Research, Inc.*, 401 U.S. 321 (1971) 13

Statutes:

Act of Sep. 7, 1957, Pub. L. No. 85-313, § 1, 71 Stat. 653 (17 U.S.C. 115(b) (1958)) 11
Act of Oct. 19, 1976, Pub. L. No. 94-553, sec. 101, § 507(b), 90 Stat. 2586 11
Copyright Act, 17 U.S.C. 101 *et seq* 2
17 U.S.C. 102(a) 2
17 U.S.C. 106 2
17 U.S.C. 201(a) 2

Statutes—Continued: Page

17 U.S.C. 201(d) 2
17 U.S.C. 302(a) 2, 14
17 U.S.C. 304(a) 2, 14
17 U.S.C. 501(a) 12
17 U.S.C. 501(b) 12
17 U.S.C. 502(a) 2, 28
17 U.S.C. 502-505 2
17 U.S.C. 503 ..... 28, 4a
17 U.S.C. 504(a)(1) 3
17 U.S.C. 504(b) 19, 20, 29
17 U.S.C. 504(c) 3
17 U.S.C. 507(b) ..... *passim*
17 U.S.C. 701 1
Lanham Act, 15 U.S.C. 1115(b)(9) 25
Patent Act, 35 U.S.C. 286 25

Miscellaneous:

Black's Law Dictionary (9th ed. 2009) 10, 24
William Wirt Blume & B.J. George, Jr., *Limitations and the Federal Courts*, 49 Mich. L. Rev. 937 (1951) 22
William Q. de Funiak, *Handbook of Modern Equity* (2d ed. 1956) 18
1 Dan B. Dobbs, *Dobbs Law of Remedies: Damages, Equity, Restitution* (2d ed. 1993) 15, 27
H. Rep. No. 2419, 84th Cong., 2d Sess. (1956) 11, 25
3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* (2012) 13
6 William F. Patry, *Patry on Copyright* (2013) 12, 24, 27
S. Rep. No. 1014, 85th Cong., 1st Sess. (1957) 11, 15, 25, 26

Miscellaneous—Continued: Page

11A Charles Alan Wright et al., *Federal Practice and Procedure* (3d ed. 2013) 18

In the Supreme Court of the United States

No. 12-1315

PAULA PETRELLA, PETITIONER

v.

METRO-GOLDWYN-MAYER, INC., ET AL.

ON WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

BRIEF FOR THE UNITED STATES AS AMICUS CURIAE SUPPORTING PETITIONER

INTEREST OF THE UNITED STATES

This case presents the question whether and under what circumstances laches may bar relief on a claim of copyright infringement brought within the three-year limitations period set out in 17 U.S.C. 507(b). The United States has significant responsibilities related to, and derives important benefits from, the registration of creative works under the national copyright system. The United States Copyright Office is responsible for administering the registration of creative works and for advising Congress, federal agencies, the courts, and the general public on copyright law and policy. See 17 U.S.C. 701. Rules governing the availability of remedies for copyright violations have important implications for the operation of the copyright system. This case also implicates questions

of concern to other federal agencies charged with administering federal laws governing intellectual property, such as the United States Patent and Trademark Office. The United States therefore has a substantial interest in the Court's resolution of this case.

STATEMENT

1. The Copyright Act, 17 U.S.C. 101 *et seq.*, grants copyright protection to original works of authorship fixed in a tangible medium of expression. 17 U.S.C. 102(a). Under the Act, copyright in a work "vests initially in the author or authors of the work," but the author or authors may transfer whole or partial ownership to a third party. 17 U.S.C. 201(a) and (d). The Act confers on a copyright owner certain exclusive statutory rights, including the rights to reproduce and distribute the work and to prepare derivative works. 17 U.S.C. 106.

The length of copyright protection depends on when the work was created. Copyrighted works created on or after January 1, 1978, generally are protected from the date of creation until seventy years after the author's death. 17 U.S.C. 302(a). Copyrighted works created before that date—such as the works at issue in this case—were protected for an initial period of twenty-eight years, which could be extended for a renewal period of up to sixty-seven years. 17 U.S.C. 304(a).

The Copyright Act provides a variety of civil remedies for infringement. See 17 U.S.C. 502-505. A court may issue an injunction, "on such terms as it may deem reasonable," to prevent or restrain infringement of a copyright. 17 U.S.C. 502(a). At the election of the copyright owner, the court also may award either

(1) "the copyright owner's actual damages and any additional profits of the infringer," 17 U.S.C. 504(a)(1), or (2) statutory damages within a defined range, 17 U.S.C. 504(c). The Act provides that "[n]o civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued." 17 U.S.C. 507(b).

2. This copyright infringement case concerns the 1980 film *Raging Bull*. The film was based on the life of boxer Jake LaMotta. Pet. App. 3a. After he retired from boxing, LaMotta worked with longtime friend Frank Petrella to tell the story of his career. *Ibid.* Their collaboration resulted in three copyrighted works: a screenplay registered in 1963 to Frank Petrella as sole author, which stated that it was written "in collaboration with" LaMotta; a book registered in 1970 to co-authors Frank Petrella, LaMotta, and Joseph Carter; and a screenplay registered in 1973 to Frank Petrella as the sole author. *Ibid.* The parties dispute which of these works was created first. *Id.* at 3a, 37a.

In 1976, Frank Petrella and LaMotta executed a written agreement that assigned their rights in the book and the two screenplays, including renewal rights, to Chartoff-Winkler Productions, Inc. Pet. App. 3a-4a. In 1978, respondent United Artists Corporation—a subsidiary of respondent Metro-Goldwyn-Mayer, Inc.—acquired the motion picture rights to the story from Chartoff-Winkler. *Id.* at 4a. In 1980, United Artists registered a copyright in the film *Raging Bull*. *Ibid.*

In 1981, during the original 28-year term of the copyrights for the book and screenplays, Frank Petrella died. Pet. App. 4a. Under this Court's decision

in *Stewart* v. *Abend*, 495 U.S. 207 (1990), when the author of a pre-1978 work transfers his renewal rights to a third party but dies before renewal, the renewal rights revert to his heirs, and the owner of any derivative work may not exploit that work without authorization from the heirs or their successors. *Id.* at 219-220, 227-228.

Petitioner is Frank Petrella's daughter. Pet. App. 4a. She asserts that she is now the sole owner of Frank Petrella's interest in the works. *Id.* at 31a. In 1990, petitioner consulted an attorney about her rights in the works and in 1991, the attorney filed a renewal application for the 1963 screenplay on her behalf. *Id.* at 4a-5a. Because petitioner did not timely renew the copyrights in the 1970 book and the 1973 screenplay, the infringement claims in this case are predicated only on the 1963 screenplay. *Id.* at 32a, 34a.

In 1998, petitioner's attorney contacted respondents and advised them that petitioner had obtained the copyright to the 1963 screenplay and that their exploitation of derivative works, including *Raging Bull*, was infringing that copyright. Over a period of two years, the parties exchanged letters, in which respondents denied the validity of the infringement claim and petitioner repeatedly threatened to take legal action. Petitioner did not take any legal action at that time. Pet. App. 5a.

3. In 2009, petitioner filed this copyright infringement suit against respondents in federal district court. Pet. App. 5a, 28a n.1. Petitioner's complaint sought damages and various forms of equitable relief. J.A. 34-35. Respondents moved for summary judgment on several grounds, including that petitioner's claims

were barred by the equitable doctrine of laches. Pet. App. 7a.

The district court granted summary judgment to respondents on the ground that laches bars petitioner's claims. Pet. App. 28a-48a. The court stated that laches bars a copyright infringement claim if the defendants show "lack of diligence by the plaintiff" and "prejudice to the defendant." *Id.* at 42a (quoting *Grand Canyon Trust* v. *Tucson Elec. Power Co.*, 391 F.3d 979, 987 (9th Cir. 2004)). The court first determined that petitioner had unreasonably delayed in bringing this lawsuit because she "had knowledge of the legal theories she is asserting in this action in 1990 or 1991" but had "refrained from filing suit at that time because the [f]ilm was not yet profitable." *Id.* at 42a-44a.

The district court further concluded that respondents had established "expectations-based prejudice" because "they have made significant investments in exploiting the film," and allowing petitioner's suit to proceed would "potentially" allow her "to reap the benefit of these expenditures." Pet. App. 44a-45a (internal quotation marks omitted). The court concluded that respondents had also established "evidentiary prejudice" because Frank Petrella and Joseph Carter had died and LaMotta was elderly and no longer recognized petitioner. *Id.* at 45a-46a.

4. The court of appeals affirmed. Pet. App. 1a-27a. In the court's view, laches bars a plaintiff's copyright claim if the defendant shows that "(1) the plaintiff delayed in initiating the lawsuit; (2) the delay was unreasonable; and (3) the delay resulted in prejudice." *Id.* at 8a. The court stated, at the outset of its analysis, that "[i]f any part of the alleged wrongful conduct

occurred outside of the limitations period, courts presume that the plaintiff's claims are barred by laches." *Ibid.* (quoting *Miller* v. *Glenn Miller Prods., Inc.*, 454 F.3d 975, 997 (9th Cir. 2006)).

The court of appeals concluded that petitioner had unreasonably delayed in bringing suit because petitioner had been aware of her potential claims in 1991 but had not filed suit until 2009, and the "evidence suggests the true cause of [the] delay was that the film hadn't made money during this time period." Pet. App. 9a-11a (internal quotation marks omitted). The court then concluded that respondents had demonstrated "expectations-based prejudice" because they had spent $8.5 million distributing and promoting *Raging Bull* since 1991, *id.* at 12a-13a, and they had entered into numerous agreements to license and broadcast the film, *id.* at 14a. Petitioner had argued that respondents "would not have done anything different, or been in any better position, had the suit been filed sooner." *Id.* at 15a. The court determined, however, that respondents were not required to make such a showing in order to invoke laches to bar petitioner's claims. *Ibid.* Because it concluded that respondents had established "expectations-based prejudice," the court did not consider whether they had also shown "evidentiary prejudice." *Id.* at 12a.

Judge William Fletcher concurred. Pet. App. 23a-27a. While acknowledging that the court's outcome was consistent with circuit precedent, Judge Fletcher contended that the circuit's law should be revised because it "is the most hostile to copyright owners of all the circuits." *Id.* at 23a (W. Fletcher, J., concurring).

SUMMARY OF ARGUMENT

A. The Copyright Act's limitations provision requires that any civil suit under the Act be filed "within three years after the claim accrued." 17 U.S.C. 507(b). Under the established construction of that provision, each new act of infringement gives rise to a distinct "claim," which "accrue[s]" at the time the infringing act occurs, even when multiple acts of infringement involve the same copyrighted work. The consequence of that provision is that, when a defendant has engaged (or is alleged to have engaged) in a prolonged course of infringing conduct, the copyright holder's suit may be timely with respect to more recent acts of infringement, but not with respect to prior acts in the same series. Consistent with that understanding, neither of the courts below suggested that petitioner's suit was barred by Section 507(b).

B. Although petitioner seeks to recover only for acts of infringement that occurred within the three-year period before her suit was commenced, her factual and legal theory logically suggests that respondents had engaged in infringing conduct long before that date. In affirming the district court's grant of summary judgment for respondents, the court of appeals relied in part on a presumption that an infringement suit is barred by laches if any part of the defendant's wrongful acts occurred outside the limitations period. Even apart from the question whether laches can ever bar an infringement suit like petitioner's, that approach is seriously flawed.

Laches is an affirmative defense on which the defendant bears the burden of proof. Treating a suit that is timely under Section 507(b) as presumptively barred by laches fails to give due weight to the bal-

ance struck by Congress in Section 507(b) itself. That is particularly true because each act of infringement gives rise to a new "claim" triggering a new three-year window for filing suit, so that claims for more recent infringing conduct may be timely even though claims for earlier acts are barred. The court of appeals' approach, by contrast, treats the initial infringing act as the presumptive triggering event for the three-year period within which suit must be filed.

The court of appeals assumed that the likelihood of prejudice to the defendant increases as the plaintiff's delay in filing suit grows longer. Under Section 507(b), however, a plaintiff's delay will often inure to the defendant's benefit, by enabling it to retain the profits earned through any infringing acts that occurred outside the limitations period. The mere fact that a defendant makes substantial investments in a work does not establish that it would have been better off if the plaintiff had filed suit earlier. The court of appeals also failed to appreciate the flexibility of the Copyright Act's remedial provisions, and the extent to which a plaintiff's delay may be considered in fashioning appropriate relief.

C. A Copyright Act infringement suit that is timely under Section 507(b), and seeks both legal and equitable relief, cannot be dismissed altogether on the ground of laches. The doctrine of laches was initially applied in proceedings in equity, which traditionally were not subject to statutes of limitations. Although present-day equitable actions are often governed by statutory limitations provisions, courts have continued to apply laches in such actions as an additional safeguard against dilatory behavior and consequent prejudice to the defendant. But while compliance with the

governing statute of limitations does not preclude the application of laches to claims for equitable relief, the Court has disapproved its application to bar claims at law.

The Copyright Act's limitations provision does not directly address the possible use of laches as a ground for dismissing timely infringement suits. The natural inference from that congressional silence, which the pertinent legislative history reinforces, is that Congress intended Section 507(b) to be applied in accordance with the background principles that have traditionally governed in this area. Because petitioner's complaint sought both legal and equitable relief, the court of appeals erred in invoking laches as a ground for terminating the suit altogether. If petitioner ultimately prevails on the merits of her infringement claims, however, her delay in suing may be taken into account in determining the nature and extent of any equitable relief that might be awarded.

ARGUMENT

WHEN A COPYRIGHT INFRINGEMENT CLAIM IS BROUGHT WITHIN THE LIMITATIONS PERIOD IN 17 U.S.C. 507(b), LACHES MAY LIMIT EQUITABLE BUT NOT LEGAL RELIEF

Petitioner's suit was timely under the applicable three-year statute of limitations, see 17 U.S.C. 507(b), and her complaint sought both legal and equitable remedies. The court of appeals nevertheless affirmed the district court's grant of summary judgment for respondents based on laches, thus preventing adjudication of petitioner's claims on the merits and foreclosing the possibility of any form of relief. That holding was erroneous.

If petitioner ultimately prevails on the merits of her infringement claims, her delay in filing suit can properly be taken into account in fashioning appropriate equitable relief. Laches has traditionally been inapplicable, however, to claims for legal relief, and nothing in the text or history of the Copyright Act suggests that Congress intended to deviate from that understanding here. Principles of laches therefore provide no sound basis for terminating petitioner's suit altogether. The judgment of the court of appeals should be reversed.

A. Under The Copyright Act's Statute Of Limitations, A Plaintiff's Suit Is Timely With Respect To All Acts Of Infringement That Occurred Within The Three-Year Period Before Suit Was Filed, Even If The Suit Was Filed More Than Three Years After The Defendant's Overall Course Of Infringing Conduct Began

1. A statute of limitations is a law that bars claims that are filed after a specified period of time. *E.g.*, *Black's Law Dictionary* 1546 (9th ed. 2009). Such provisions serve "to promote justice by preventing surprises through the revival of claims that have been allowed to slumber until evidence has been lost, memories have faded, and witnesses have disappeared." *Order of R.R. Telegraphers* v. *Railway Express Agency, Inc.*, 321 U.S. 342, 348-349 (1944). The length of a limitations period generally "reflects a value judgment concerning the point at which the interests in favor of protecting valid claims are outweighed by the interests in prohibiting the prosecution of stale ones." *Johnson* v. *Railway Express Agency, Inc.*, 421 U.S. 454, 463-464 (1975).

Prior to 1957, federal copyright law did not include a statute of limitations for civil suits. As a result,

federal courts applied analogous state statutes of limitations to assess the timeliness of copyright infringement claims. See S. Rep. No. 1014, 85th Cong., 1st Sess. 1-2 (1957) (Senate Report). In 1957, Congress established a three-year limitations period for all civil actions arising under the Act. See Act of Sept. 7, 1957, Pub. L. No. 85-313, § 1, 71 Stat. 653 (17 U.S.C. 115(b) (1958)). This limitations period was designed to bring uniformity and certainty to federal copyright claims and to prevent forum shopping. Senate Report 2; see H. Rep. No. 2419, 84th Cong., 2d Sess. 2 (1956) (House Report).

The three-year statute of limitations was carried forward without material change in the 1976 revision of the Copyright Act. See Act of Oct. 19, 1976, Pub. L. No. 94-553, sec. 101, § 507(b), 90 Stat. 2586. The Copyright Act now provides: "No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued." 17 U.S.C. 507(b).

2. Application of the statute of limitations to copyright infringement claims requires an understanding of when such a claim accrues. A claim generally accrues when the plaintiff has a "complete and present cause of action." *Bay Area Laundry & Dry Cleaning Pension Trust Fund* v. *Ferbar Corp. of Cal.*, 522 U.S. 192, 201 (1997) (quoting *Rawlings* v. *Ray*, 312 U.S. 96, 98 (1941)). The limitations period therefore generally begins to run at the point when "the plaintiff can file suit and obtain relief." *Ibid.*; see also, *e.g.*, *Gabelli* v. *SEC*, 133 S. Ct. 1216, 1220-1221 (2013).

The Copyright Act states that "[a]nyone who violates any of the exclusive rights of the copyright owner" under the Act "is an infringer of the copyright,"

and that the copyright owner may "institute an action for any infringement of that particular right committed while he or she is the owner of it." 17 U.S.C. 501(a) and (b). For purposes of Section 507(b), a "claim" therefore generally "accrue[s]" when the defendant commits an act of infringement.[1]

In a copyright infringement lawsuit, a plaintiff may have several distinct claims based on the defendant's continuing course of conduct, even if all of the acts of infringement involve the same copyrighted work. In this context, "[e]ach act of infringement is a distinct harm giving rise to an independent claim for relief." *Stone* v. *Williams*, 970 F.2d 1043, 1049-1050 (2d Cir. 1992), cert. denied, 508 U.S. 906 (1993). Under that "separate accrual" rule, when a defendant commits a series of infringing acts, a separate claim accrues with each act of infringement, rather than one continuing claim accruing from the initial infringing act. 6 William F. Patry, *Patry on Copyright* § 20:23, at 20-44 (2013).[2]

---

[1] Nine courts of appeals allow for a "discovery rule" for copyright infringement claims, under which the cause of action accrues when the plaintiff discovered, or with due diligence should have discovered, the infringement that forms the basis for her claim. See *William A. Graham Co.* v. *Haughey*, 568 F.3d 425, 433 (3d Cir.) (citing cases), cert. denied, 558 U.S. 991 (2009); see also 6 William F. Patry, *Patry on Copyright* § 20:18, at 20-28 (2013) ("The overwhelming majority of courts use discovery accrual in copyright cases."). Under that approach, a Copyright Act claim may occasionally accrue later, but will never accrue earlier, than the date of the infringing act. Petitioner does not rely on the discovery rule in this case. See J.A. 30 (complaint); Pet. Br. 8.

[2] Although it has not been considered by this Court, the "separate accrual" rule has been widely accepted by the courts of appeals. See, *e.g.*, *Bouchat* v. *Baltimore Ravens Ltd. P'ship*, 619

Under 17 U.S.C. 507(b), a civil suit filed within three years after an act of infringement is timely with respect to that act. When the defendant has committed a series of infringing acts, the plaintiff may recover for those acts of infringement that occurred within three years of suit. See *Bridgeport Music, Inc.* v. *Rhyme Syndicate Music*, 376 F.3d 615, 621 (6th Cir. 2004); *Stone*, 970 F.2d at 1049-1050; see also 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 12.05[B][1][b], at 12-150.4 (2012).

The effect of the Copyright Act's statute of limitations thus is "to limit the period of recovery to three years." *Peter Letterese & Assocs., Inc.* v. *World Inst. of Scientology Enters., Int'l*, 533 F.3d 1287, 1320 n.39 (11th Cir. 2008). The plaintiff may recover for acts occurring within the limitations period but may not use a "new predicate act as a bootstrap to recover for injuries caused by other earlier predicate acts that

---

F.3d 301, 316 (4th Cir. 2010); *William A. Graham Co.*, 568 F.3d at 433; *Peter Letterese & Assocs., Inc.* v. *World Inst. of Scientology Enters., Int'l*, 533 F.3d 1287, 1320 n.39 (11th Cir. 2008); *Bridgeport Music, Inc.* v. *Rhyme Syndicate Music*, 376 F.3d 615, 621 (6th Cir. 2004); *Makedwde Publ'g Co.* v. *Johnson*, 37 F.3d 180, 182 (5th Cir. 1994); *Roley* v. *New World Pictures, Ltd.*, 19 F.3d 479, 481 (9th Cir. 1994); see also *Taylor* v. *Meirick*, 712 F.2d 1112, 1119 (7th Cir. 1983) (accepting separate accrual rule but allowing plaintiff who sues for series of infringing acts to "reach back and get damages for the entire duration of the alleged violation" on fraudulent-concealment grounds).

The separate accrual rule also is consistent with the approach this Court has taken in analogous contexts, such as under the Clayton Act. See *Zenith Radio Corp.* v. *Hazeltine Research, Inc.*, 401 U.S. 321, 338-339 (1971); see also, *e.g.*, *National R.R. Passenger Corp.* v. *Morgan*, 536 U.S. 101, 110-112 (2002) (Title VII); *Klehr* v. *A.O. Smith Corp.*, 521 U.S. 179, 189-190 (1997) (civil RICO).

took place outside the limitations period." *Klehr* v. *A.O. Smith Corp.*, 521 U.S. 179, 190 (1997) (civil RICO context). That rule strikes an appropriate balance between copyright plaintiffs and defendants, allowing plaintiffs to seek relief for infringing acts occurring within three years of the suit while excusing defendants from liability for prior acts that fall outside the three-year window.

3. Because the Copyright Act includes uniquely long periods of protection for authors and owners, a work may remain protected (and unauthorized uses of the work may constitute infringement of copyright) for decades after the work was created. See 17 U.S.C. 302(a) (post-1978 copyrighted works protected from the date of creation until seventy years after the author's death); 17 U.S.C. 304(a) (pre-1978 copyrighted works protected for up to 95 years). When the defendant has engaged in a prolonged series of allegedly infringing acts, a suit by the copyright holder therefore may be timely under Section 507(b) (because at least one such act has occurred within the three-year period before suit is commenced) even though it is filed many years after the first iteration of the defendant's conduct. Consistent with that understanding, neither of the courts below suggested that petitioner's suit was barred by Section 507(b). Instead, the courts below considered whether laches might provide an independent bar to petitioner's claims.

B. The Court Of Appeals Erred In Applying A Presumption That, Because Respondents' Allegedly Infringing Conduct Began More Than Three Years Before Petitioner's Suit Was Filed, Petitioner's Claims Are Barred By Laches

Petitioner seeks to recover only for "acts of infringement occurring on or after January 6, 2006," the date three years before this suit was commenced. Pet. Br. 8. Petitioner's factual and legal theory logically implies, however, that respondents had engaged in infringing conduct for many years before that. Relying on a prior opinion in the trademark context, the court below stated that, "[i]f any part of the alleged wrongful conduct occurred outside of the limitations period, courts presume that the plaintiff's claims are barred by laches." Pet. App. 8a (quoting *Miller* v. *Glenn Miller Prods., Inc.*, 454 F.3d 975, 997 (9th Cir. 2006)). Even apart from the question whether laches can ever appropriately be used to bar an infringement suit like petitioner's, the court of appeals' invocation and application of that presumption was flawed in several respects.

1. Laches is an affirmative defense, and as with other affirmative defenses, the burden rests on the defendant to demonstrate that its requirements have been met. 1 Dan B. Dobbs, *Dobbs Law of Remedies: Damages, Equity, Restitution* § 2.4(4), at 104 (2d ed. 1993) (*Dobbs on Remedies*). The limitations period in the Copyright Act is the product of a legislative effort to balance the legitimate interests of copyright owners and persons accused of infringement. See Senate Report 2-3. Although the text of Section 507(b) does not literally foreclose application of laches, see pp. 24-25, *infra*, that provision (like any statute of limita-

tions) reflects a legislative judgment that a defendant's legitimate interests in repose will not ordinarily be prejudiced when suit is commenced within three years after the infringing act occurs. See, *e.g.*, *Chirco* v. *Crosswinds Cmtys., Inc.*, 474 F.3d 227, 235 (6th Cir.), cert. denied, 551 U.S. 1131 (2007). Treating a suit that is filed within the Section 507(b) limitations period as *presumptively* barred by laches fails to give due weight to that congressional judgment.

2. Under the plain terms of Section 507(b), the three-year period for commencing suit on any "claim" begins to run on the date "the claim accrued." Each act of infringement, moreover, gives rise to a new "claim" and thus a new three-year window for filing suit. See pp. 11-14, *supra*; *Makedwde Publ'g Co.* v. *Johnson*, 37 F.3d 180, 182 (5th Cir. 1994); *Roley* v. *New World Pictures, Ltd.*, 19 F.3d 479, 481 (9th Cir. 1994); *Hoste* v. *Radio Corp. of Am.*, 654 F.2d 11, 11 (6th Cir. 1981) (per curiam). In this case, the court of appeals' analysis of petitioner's delay did not focus on the passage of time between the infringing acts *for which petitioner seeks to recover* (*i.e.*, the infringing acts that are alleged to have occurred on or after January 6, 2006) and the commencement of petitioner's suit. Rather, the court's presumption of laches was triggered by the fact that a lengthy period of time had passed since respondents' alleged *initial* infringing act. See Pet. App. 8a.

The practical effect of the court of appeals' approach is to treat that initial infringing act, rather than the acts of infringement for which the plaintiff seeks to recover, as the presumptive triggering event for the three-year period within which suit must be filed. Under the court of appeals' rule, if a copyright

holder does not bring suit for an infringing act within three years after the infringement first occurs, she has presumptively slept on her rights and can never again seek to enforce her copyright for any further violations committed by the defendant, regardless of how long the copyright's term continues after that point. That rule significantly upsets the balance struck by Congress, under which a plaintiff may seek relief on any claims (but only on those claims) that accrued within the three-year period before suit was filed. The court's presumption thus has the potential to deprive copyright owners of the benefit of their copyrights decades before the statutory terms of the copyrights have run.

3. The court of appeals' analysis reflects an express assumption that the likelihood of prejudice to the defendant increases as the period of delay grows longer. See Pet. App. 11a-12a. That assumption is unwarranted. To be sure, one type of prejudice—the loss of evidence that delay may entail, see, *e.g.*, *Russell* v. *Todd*, 309 U.S. 280, 287 (1940) (explaining that a defendant may be prejudiced by the plaintiff's delay when "in the normal course of events evidence is lost or obscured")—is more likely to result from a long delay than from a short one. In this case, however, the court of appeals expressly declined to consider whether "evidentiary prejudice" had occurred. See Pet. App. 12a. And in concluding that respondents had instead established "expectations-based prejudice," see *ibid.*, the court wholly failed to consider the ways in which petitioner's delay in filing suit might redound to respondents' benefit. Most obviously, under Section 507(b) and the separate accrual rule, respondents will be entitled to keep any profits they

may have earned from acts of infringement that occurred before January 6, 2006 (three years before petitioner commenced this action), even if petitioner ultimately prevails on the merits of her infringement claims.

Even in circumstances where laches potentially applies, its justification is not "a mere matter of time; but principally a question of the inequity of permitting the claim to be enforced—an inequity founded upon some change in the condition or relations of the property or the parties." *Holmberg* v. *Armbrecht*, 327 U.S. 392, 396 (1946); see, *e.g.*, 11A Charles Alan Wright et al., *Federal Practice and Procedure* § 2946, at 109 (3d ed. 2013) (defendant generally must show not only a "lapse of time," but also that "during the lapse of time, changed circumstances inequitably work[ed] to [its] disadvantage or prejudice") (quoting William Q. de Funiak, *Handbook of Modern Equity* § 24, at 41 (2d ed. 1956)). The court of appeals held that respondents had established "expectations-based prejudice" simply by showing that they had made significant expenditures to market and distribute *Raging Bull* since 1991. Pet. App. 12a-14a. But businesses routinely make large expenditures to earn even greater revenues, and a substantial portion of any profits that respondents' expenditures on *Raging Bull* produced will be beyond the reach of the court even if petitioner's suit is successful. The bare fact that respondents invested millions of dollars between the time that petitioner acquired her interest in the 1963 screenplay's copyright and the time that petitioner brought suit does not demonstrate that respondents have suffered financially from the delay. Respondents' evidence therefore falls well short of establishing

that they would have been better off if petitioner had filed her infringement suit at an earlier date.

4. The court of appeals also failed to appreciate the flexibility provided by the Copyright Act's remedial provisions, and the extent to which a plaintiff's delay may be considered in fashioning appropriate relief. After describing the investments and business arrangements that respondents had made to market and distribute *Raging Bull*, the court stated that, if this suit were allowed to proceed and petitioner prevailed on the merits, "the anticipated profits from these investments and licensing agreements—the expectation of which underlay [respondents'] business decision making—would wind up in [petitioner's] pocket." Pet. App. 17a. As explained above, that assertion is wholly wrong with respect to any profits earned from infringing acts that occurred before January 6, 2006, as to which Section 507(b) would bar any recovery. And even with respect to profits earned from acts of infringement occurring within the limitations period, courts may allocate profits equitably between the parties at the remedial phase of a successful infringement action.

The Copyright Act states that the plaintiff may recover "any profits of the infringer *that are attributable to the infringement*." 17 U.S.C. 504(b) (emphasis added). In this case, the "infringement" (if any is ultimately found) would be the unauthorized use of the 1963 screenplay on which petitioner holds a copyright. To determine what portion of respondents' profits on the film *Raging Bull* are attributable to that unauthorized use, the court could take account of respondents' contributions to the success of the finished work. See *Sheldon* v. *Metro-Goldwyn Pictures Corp.*, 309

U.S. 390, 402 (1940) (apportioning profits to account for independent contributions of infringing defendant); see also 17 U.S.C. 504(b) (defendant is entitled to prove "the elements of profit attributable to factors other than the copyrighted work").

Allowing the defendant to retain the return on its investment that is attributable to its own enterprise, as distinct from the value created by the infringed work, will often provide adequate protection against the financial consequences of the plaintiff's delay. More generally, as explained below, courts have well-established discretion to consider the nature and consequences of a plaintiff's delay in fashioning appropriate equitable relief. The extreme disposition chosen by the court of appeals—an approach that terminated petitioner's suit, left her without any potential remedy, and left respondents free to engage in allegedly infringing conduct throughout the remaining decades of petitioner's copyright—was therefore unnecessary to prevent unjust enrichment to petitioner.

C. A Claim For Copyright Infringement Brought Within Three Years Of The Allegedly Infringing Act, And Seeking Both Legal And Equitable Relief, Is Not Subject To Dismissal Based On Laches

For the reasons stated above, the court of appeals erred both in its adoption of a presumption of laches, and in its analysis of respondents' contention that they were prejudiced by petitioner's delay. The more difficult question posed by this case is whether a Copyright Act infringement suit that is filed within the statute of limitations, and seeks both legal and equitable relief, can be dismissed altogether on the ground of laches. In the government's view, such a disposition is not appropriate.

1. The doctrine of laches rests on the longstanding equitable principle that a plaintiff who delays unreasonably in pursuing judicial relief, to the detriment of the defendant, may forfeit his right to relief. See, *e.g.*, *Lane & Bodley Co.* v. *Locke*, 150 U.S. 193, 201 (1893) ("Courts of equity, it has often been said, will not assist one who has slept upon his rights, and shows no excuse for his laches in asserting them."). "The doctrine of laches is based upon grounds of public policy, which require for the peace of society the discouragement of stale demands"; courts "will not aid a party" whose "gross negligence or deliberate delay" has compromised their ability to fairly resolve a dispute. *Mackall* v. *Casilear*, 137 U.S. 556, 566 (1890). Consequently, a claim is barred by laches only when a plaintiff unreasonably delays in bringing suit, and the defendant is prejudiced by that delay. See, *e.g.*, *Costello* v. *United States*, 365 U.S. 265, 282 (1961); *Russell*, 309 U.S. at 287.

"The doctrine of laches has a historical pedigree pre-dating the statutory enactment of periods of limitations." *Ivani Contracting Corp.* v. *City of N.Y.*, 103 F.3d 257, 259 (2d Cir.), cert. denied, 520 U.S. 1211 (1997). Courts of equity have long "refuse[d] to interfere where there has been gross laches in prosecuting the claim, or long acquiescence in the assertion of adverse rights." *Badger* v. *Badger*, 69 U.S. (2 Wall.) 87, 94 (1865); see also, *e.g.*, *New York City* v. *Pine*, 185 U.S. 93, 98 (1902); *Bowman* v. *Wathen*, 42 U.S. (1 How.) 189, 194 (1843). Although laches has the effect of limiting the time period during which a suit may be brought, it is not "a mere matter of time"; instead, it is "principally a question of the inequity of permitting the claim to be enforced" based upon

"some change in the condition or relations of the property or the parties." *Galliher* v. *Cadwell*, 145 U.S. 368, 373 (1892).

Although proceedings in equity traditionally were not subject to statutes of limitations, federal courts sitting in equity eventually came to borrow analogous statutes of limitations from state law. See, *e.g.*, *Russell*, 309 U.S. at 288; William Wirt Blume & B.J. George, Jr., *Limitations and the Federal Courts*, 49 Mich. L. Rev. 937, 943 (1951). However, the fact that a plaintiff brought suit within the relevant limitations period did not preclude the defendant from invoking laches as a defense to a claim for equitable relief. See, *e.g.*, *Patterson* v. *Hewitt*, 195 U.S. 309, 318-319 (1904); *Whitney* v. *Fox*, 166 U.S. 637, 647-648 (1897); *Alsop* v. *Riker*, 155 U.S. 448, 460-461 (1894); *Godden* v. *Kimmell*, 99 U.S. 201, 201-202 (1879). Instead, this Court recognized that even within the limitations period, "[l]aches may bar equitable remedy before the local statute has run." *Russell*, 309 U.S. at 288 n.1. Accordingly, with respect to claims for equitable relief, the statute of limitations "fix[es] a time beyond which the suit will not, under any circumstances, lie" but does not "preclud[e] the defense of laches, provided there has been unreasonable delay within the time limited by the statute." *Patterson*, 195 U.S. at 318.

The doctrine of laches originated in the courts of equity, but it was "eventually adopted by common law courts and, following the merger of law and equity, became part of the general body of rules governing relief in the federal court system." *Environmental Def. Fund, Inc.* v. *Alexander*, 614 F.2d 474, 478 (5th Cir.), cert. denied, 449 U.S. 919 (1980). This Court has continued to acknowledge the potential availability of

a laches defense to equitable claims filed within a statute of limitations, explaining that "statutes of limitation are not controlling measures of equitable relief." *Holmberg*, 327 U.S. at 396. The Court has discountenanced the application of a laches defense to bar legal relief. See *County of Oneida, N.Y.* v. *Oneida Indian Nation*, 470 U.S. 226, 244 n.16 (1985); see also *Merck & Co., Inc.* v. *Reynolds*, 559 U.S. 633, 652 (2010).[3]

Suits seeking equitable remedies for copyright infringement have historically been subject to the defense of laches. See, *e.g.*, *Edwin L. Wiegand Co.* v. *Harold E. Trent Co.*, 122 F.2d 920, 925 (3d Cir. 1941), cert. denied, 316 U.S. 667 (1942); *D.O. Haynes & Co.* v. *Druggists' Circular*, 32 F.2d 215, 217-218 (2d Cir. 1929); *West Publ'g Co.* v. *Edward Thompson Co.*, 169 F. 833, 885-887 (C.C.E.D.N.Y. 1909); *Werner Co.* v. *Encyclopaedia Britannica Co.*, 134 F. 831, 833 (3d Cir. 1905). This Court has assumed the availability of a laches defense in a copyright suit. See *Callaghan* v. *Myers*, 128 U.S. 617, 659 (1888). Judge Learned Hand stated the settled understanding that remedies in a copyright infringement suit are subject to "the usual principles of equity," including the principle that "it is inequitable for the owner of a copyright, with full notice of an intended infringement, to stand inactive

---

[3] It has been "established past all controversy or doubt" that the "United States are not bound by any [state] statute of limitations, nor barred by any laches of their officers, however gross, in a suit brought by them as a sovereign Government to enforce a public right, or to assert a public interest." *United States* v. *Beebe*, 127 U.S. 338, 344 (1888); see also, *e.g.*, *Guaranty Trust Co.* v. *United States*, 304 U.S. 126, 132-133 (1938); *Chesapeake & Del. Canal Co.* v. *United States*, 250 U.S. 123, 125 (1919); *United States* v. *Verdier*, 164 U.S. 213, 219 (1896).

while the proposed infringer spends large sums of money in its exploitation, and to intervene only when his speculation has proved a success." *Haas* v. *Leo Feist, Inc.*, 234 F. 105, 107-108 (S.D.N.Y. 1916).[4] Judge Hand did not, however, treat the plaintiff's delay as a ground for dismissing the infringement suit entirely. Rather, he adjudicated the suit on the merits and invoked the plaintiff's delay as a ground for disallowing particular equitable remedies. See *id.* at 107-108.

2. The Copyright Act's limitations provision does not, by its terms, resolve the question whether laches may ever be invoked to dismiss a copyright-infringement suit that is filed within the specified three-year period. That limitations provision states that "[n]o civil action may be maintained" under the Act "unless it is commenced within three years after the claim accrued." 17 U.S.C. 507(b). Although the statute makes clear that a suit filed more than three years after the claim's accrual may not go forward, it does not literally foreclose the possibility that some

---

[4] In his concurrence below, Judge William Fletcher construed this passage from Judge Hand as applying equitable estoppel rather than laches. Pet. App. 25a (W. Fletcher, J., concurring). Equitable estoppel generally requires affirmative misbehavior—a person using "false language or conduct" to "induce[] another person to act in a certain way," *Black's Law Dictionary* 630—whereas laches typically involves a "harm to [the] defendant from the plaintiff's inaction," 6 *Patry on Copyright* § 20:54, at 20-96. Judge Hand's discussion, which refers to the plaintiff as simply "standing] inactive," *Haas*, 234 F. at 108, is better understood to refer to prejudicial delay rather than to affirmative misconduct.

suits brought within that three-year period might be dismissed based on the plaintiff's prejudicial delay.[5]

"Congress is understood to legislate against a background of common-law adjudicatory principles," and this Court presumes that Congress intended to incorporate those principles unless the text provides to the contrary. *Astoria Fed. Sav. & Loan Ass'n* v. *Solimino*, 501 U.S. 104, 108 (1991). Section 507(b)'s legislative history reinforces the inference that Congress intended the limitations provision to be applied in a manner consistent with traditional norms. In the course of its deliberations regarding possible enactment of a federal limitations period, Congress heard testimony regarding whether it should "specifically enumerat[e] certain equitable considerations that might be advanced in connection with civil copyright actions," such as equitable tolling and fraudulent concealment. Senate Report 2-3. Both the House and Senate Judiciary Committees "reached the conclusion that this was unnecessary" because the "Federal district Courts, generally, recognize these equitable defenses anyway." *Id.* at 3 (quoting House Report 2).

---

[5] The Federal Circuit has concluded, based on the Patent Act's text and legislative history and on historical practice, that laches is an available defense to patent infringement, but only to bar claims for damages, and not prospective injunctive relief. See *A.C. Aukerman Co.* v. *R.L. Chaides Constr. Co.*, 960 F.2d 1020, 1029-1032, 1039-1041 (1992) (en banc); see also 35 U.S.C. 286 (Patent Act statute of limitations). The Lanham Act, which governs trademark protection, contains no statute of limitations, and it expressly provides that "equitable principles," including "laches," may provide a defense to an infringement claim. 15 U.S.C. 1115(b)(9). The laches analysis presented here is specific to the Copyright Act and does not address potential differences presented by the Patent Act and Lanham Act.

Indeed, Congress decided not to set out particular equitable "circumstances or conditions" because express references to such examples "might result in unfairness to some persons" who would otherwise be entitled to relief under existing judicial practice. Senate Report 3. Thus, the question whether laches can be invoked to bar a suit like petitioner's must be resolved, not by reference to the text of Section 507(b) standing alone, but in light of the accepted background equitable principles at the time the statute was enacted.

3. Prior to the merger of law and equity with the adoption of the Federal Rules of Civil Procedure in 1938, laches was traditionally associated with equitable claims and remedies rather than with legal ones. See, *e.g.*, *Alsop*, 155 U.S. at 460; *Mackall*, 137 U.S. at 566; see also *Godden*, 99 U.S. at 210 (Laches is a "defence peculiar to courts of equity founded on lapse of time and the staleness of the claim."). Accordingly, although laches could bar equitable relief even though suit had been commenced within a limitations period, see, *e.g.*, *Patterson*, 195 U.S. at 318-319, this Court observed that "[l]aches within the term of the statute of limitations is no defense at law," *United States* v. *Mack*, 295 U.S. 480, 489 (1935). Put another way, "[i]n actions at law, the question of diligence is determined by the words of the statute," where "[i]f an action [is] brought the day before the statutory time expires, it will be sustained"; whereas "[i]n suits in equity the question is determined by the circumstances of each particular case." *Patterson*, 195 U.S. at 317.

Since the merger of law and equity, when suit is filed within the statute of limitations, courts have continued to permit consideration of laches with re-

spect to equitable but not legal relief. See, *e.g.*, *Russell*, 309 U.S. at 288 n.1; *Ivani Contracting Corp.*, 103 F.3d at 260 "One basic principle has * * * been consistently followed: equitable remedies are not available if granting the remedy would be inequitable to the defendant because of the plaintiff's long delay." *Environmental Def. Fund, Inc.*, 614 F.2d at 478. "A plaintiff guilty of laches may be barred from recovery of any kind of equitable remedy, including injunctions, specific performance, and equitable accounting." 1 *Dobbs on Remedies* § 2.4(4), at 103 (footnotes omitted). But "[w]hen laches does not amount to estoppel or waiver, it does not ordinarily bar legal claims." *Id.* § 2.4(4), at 104; see also 6 *Patry on Copyright* § 20:54, at 20-98 ("Application of laches to legal claims is not the norm."). As this Court has remarked, "application of the equitable defense of laches in an action at law would be novel indeed." *County of Oneida*, 470 U.S. at 244 n.16; see also *Lyons P'ship, L.P.* v. *Morris Costumes, Inc.*, 243 F.3d 789, 797 (4th Cir. 2001) ("[L]aches is a doctrine that applies only in equity to bar equitable actions, not at law to bar legal actions.").[6]

---

[6] Consistent with that rule, the Second Circuit has applied laches in a copyright infringement suit to bar permanent injunctive relief but not a damages remedy. See *New Era Publ'ns Int'l, ApS* v. *Henry Holt & Co.*, 873 F.2d 576, 584-585 (2d Cir. 1989), cert. denied, 493 U.S. 1094 (1990). The Ninth Circuit, by contrast, applies laches to both legal and equitable relief. See Pet. App. 8a, 18a. The Sixth Circuit appears to do the same. See *Chirco*, 474 F.3d at 234. The Seventh Circuit has suggested that laches could bar claims for legal as well as equitable relief. See *Maksym* v. *Loesch*, 937 F.2d 1237, 1248 (7th Cir. 1991) (breach of contract case).

In the present case, petitioner's complaint sought both damages and injunctive relief. The only question presented in this Court is whether laches provided a sound basis for the decisions of the courts below to grant summary judgment to respondents, thereby pretermitting adjudication of petitioner's claims on the merits and leaving her without any potential legal or equitable remedy. For the reasons set forth above, the answer to that question is no. Nothing in the text or history of the Copyright Act suggests that Congress intended to depart from the background principle that "[l]aches within the term of the statute of limitations is no defense at law." *Mack*, 295 U.S. at 489. Because the Act authorizes both legal and equitable relief, and petitioner sought damages as well as an injunction and profits, the courts below erred in invoking laches as a ground for barring the suit entirely.

If petitioner ultimately prevails on the merits of her infringement claims, however, her delay in suing may be taken into account in determining the nature and extent of any equitable relief that might be awarded. The Copyright Act authorizes the federal courts to issue "temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain infringement of a copyright," 17 U.S.C. 502(a), or to order the impounding and disposition of infringing articles, 17 U.S.C. 503. Injunctions are classic equitable relief. The standard for granting an injunction typically requires application of an estab-

---

The Eleventh Circuit has held that, in a copyright suit filed within the statute of limitations, "laches serves as a bar only to the recovery of retrospective damages, not to prospective relief." *Peter Letterese & Assocs., Inc.*, 533 F.3d at 1321.

lished four-factor test, see, *e.g.*, *eBay Inc.* v. *MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006), and the plaintiff's delay may bear on the court's assessment of one or more of those factors in a particular case. The plaintiff's delay may also be relevant in determining the "profits of the infringer that are attributable to the infringement." 17 U.S.C. 504(b); see pp. 19-20, *supra*.

Because petitioner's infringement claims have not yet been decided on the merits, this case does not present the Court with an occasion to determine what equitable relief would be appropriate if petitioner prevails, or how her delay in filing suit should affect the availability of equitable remedies. Accordingly, this Court should hold that laches cannot bar petitioner's suit altogether and remand the case for further proceedings. If petitioner ultimately prevails on the merits of her infringement claims, the courts below can consider the effect of her delay at the remedial stage of the case.

CONCLUSION

The judgment of the court of appeals should be reversed.

Respectfully submitted.

DONALD B. VERRILLI, JR.
Solicitor General
STUART F. DELERY
Assistant Attorney General
MALCOLM L. STEWART
Deputy Solicitor General
NICOLE A. SAHARSKY
Assistant to the Solicitor General
SCOTT R. MCINTOSH
DARA S. SMITH
Attorneys

NOVEMBER 2013

APPENDIX

1. 17 U.S.C. 501 provides:

Infringement of copyright

(a) Anyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 through 122 or of the author as provided in section 106A(a), or who imports copies or phonorecords into the United States in violation of section 602, is an infringer of the copyright or right of the author, as the case may be. For purposes of this chapter (other than section 506), any reference to copyright shall be deemed to include the rights conferred by section 106A(a). As used in this subsection, the term "anyone" includes any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity. Any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this title in the same manner and to the same extent as any nongovernmental entity.

(b) The legal or beneficial owner of an exclusive right under a copyright is entitled, subject to the requirements of section 411, to institute an action for any infringement of that particular right committed while he or she is the owner of it. The court may require such owner to serve written notice of the action with a copy of the complaint upon any person shown, by the records of the Copyright Office or otherwise, to have or claim an interest in the copyright, and shall require that such notice be served upon any person whose interest is likely to be affected by a decision in the

case. The court may require the joinder, and shall permit the intervention, of any person having or claiming an interest in the copyright.

(c) For any secondary transmission by a cable system that embodies a performance or a display of a work which is actionable as an act of infringement under subsection (c) of section 111, a television broadcast station holding a copyright or other license to transmit or perform the same version of that work shall, for purposes of subsection (b) of this section, be treated as a legal or beneficial owner if such secondary transmission occurs within the local service area of that television station.

(d) For any secondary transmission by a cable system that is actionable as an act of infringement pursuant to section 111(c)(3), the following shall also have standing to sue: (i) the primary transmitter whose transmission has been altered by the cable system; and (ii) any broadcast station within whose local service area the secondary transmission occurs.

(e) With respect to any secondary transmission that is made by a satellite carrier of a performance or display of a work embodied in a primary transmission and is actionable as an act of infringement under section 119(a)(5), a network station holding a copyright or other license to transmit or perform the same version of that work shall, for purposes of subsection (b) of this section, be treated as a legal or beneficial owner if such secondary transmission occurs within the local service area of that station.

(f)(1) With respect to any secondary transmission that is made by a satellite carrier of a performance or

display of a work embodied in a primary transmission and is actionable as an act of infringement under section 122, a television broadcast station holding a copyright or other license to transmit or perform the same version of that work shall, for purposes of subsection (b) of this section, be treated as a legal or beneficial owner if such secondary transmission occurs within the local market of that station.

(2) A television broadcast station may file a civil action against any satellite carrier that has refused to carry television broadcast signals, as required under section 122(a)(2), to enforce that television broadcast station's rights under section 338(a) of the Communications Act of 1934.

2. 17 U.S.C. 502 provides:

Remedies for infringement: Injunctions

(a) Any court having jurisdiction of a civil action arising under this title may, subject to the provisions of section 1498 of title 28, grant temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain infringement of a copyright.

(b) Any such injunction may be served anywhere in the United States on the person enjoined; it shall be operative throughout the United States and shall be enforceable, by proceedings in contempt or otherwise, by any United States court having jurisdiction of that person. The clerk of the court granting the injunction shall, when requested by any other court in which enforcement of the injunction is sought, transmit promptly to the other court a certified copy of all the papers in the case on file in such clerk's office.

3. 17 U.S.C. 503 provides:

Remedies for infringement: Impounding and disposition of infringing articles

(a)(1) At any time while an action under this title is pending, the court may order the impounding, on such terms as it may deem reasonable—

(A) of all copies or phonorecords claimed to have been made or used in violation of the exclusive right of the copyright owner;

(B) of all plates, molds, matrices, masters, tapes, film negatives, or other articles by means of which such copies or phonorecords may be reproduced; and

(C) of records documenting the manufacture, sale, or receipt of things involved in any such violation, provided that any records seized under this subparagraph shall be taken into the custody of the court.

(2) For impoundments of records ordered under paragraph (1)(C), the court shall enter an appropriate protective order with respect to discovery and use of any records or information that has been impounded. The protective order shall provide for appropriate procedures to ensure that confidential, private, proprietary, or privileged information contained in such records is not improperly disclosed or used.

(3) The relevant provisions of paragraphs (2) through (11) of section 34(d) of the Trademark Act (15 U.S.C. 1116(d)(2) through (11)) shall extend to any impoundment of records ordered under paragraph (1)(C) that is based upon an ex parte application, not-

withstanding the provisions of rule 65 of the Federal Rules of Civil Procedure. Any references in paragraphs (2) through (11) of section 34(d) of the Trademark Act to section 32 of such Act shall be read as references to section 501 of this title, and references to use of a counterfeit mark in connection with the sale, offering for sale, or distribution of goods or services shall be read as references to infringement of a copyright.

(b) As part of a final judgment or decree, the court may order the destruction or other reasonable disposition of all copies or phonorecords found to have been made or used in violation of the copyright owner's exclusive rights, and of all plates, molds, matrices, masters, tapes, film negatives, or other articles by means of which such copies or phonorecords may be reproduced.

4. 17 U.S.C. 504 provides:

Remedies for infringement: Damages and profits

(a) IN GENERAL.—Except as otherwise provided by this title, an infringer of copyright is liable for either—

(1) the copyright owner's actual damages and any additional profits of the infringer, as provided by subsection (b); or

(2) statutory damages, as provided by subsection (c).

(b) ACTUAL DAMAGES AND PROFITS.—The copyright owner is entitled to recover the actual damages suffered by him or her as a result of the infringement,

and any profits of the infringer that are attributable to the infringement and are not taken into account in computing the actual damages. In establishing the infringer's profits, the copyright owner is required to present proof only of the infringer's gross revenue, and the infringer is required to prove his or her deductible expenses and the elements of profit attributable to factors other than the copyrighted work.

(c) STATUTORY DAMAGES.—

(1) Except as provided by clause (2) of this subsection, the copyright owner may elect, at any time before final judgment is rendered, to recover, instead of actual damages and profits, an award of statutory damages for all infringements involved in the action, with respect to any one work, for which any one infringer is liable individually, or for which any two or more infringers are liable jointly and severally, in a sum of not less than $750 or more than $30,000 as the court considers just. For the purposes of this subsection, all the parts of a compilation or derivative work constitute one work.

(2) In a case where the copyright owner sustains the burden of proving, and the court finds, that infringement was committed willfully, the court in its discretion may increase the award of statutory damages to a sum of not more than $150,000. In a case where the infringer sustains the burden of proving, and the court finds, that such infringer was not aware and had no reason to believe that his or her acts constituted an infringement of copyright, the court in its discretion may reduce the award of statutory damages to a sum of not less than $200. The court shall remit statutory damages in any case

where an infringer believed and had reasonable grounds for believing that his or her use of the copyrighted work was a fair use under section 107, if the infringer was: (i) an employee or agent of a nonprofit educational institution, library, or archives acting within the scope of his or her employment who, or such institution, library, or archives itself, which infringed by reproducing the work in copies or phonorecords; or (ii) a public broadcasting entity which or a person who, as a regular part of the nonprofit activities of a public broadcasting entity (as defined in section 118(f)) infringed by performing a published nondramatic literary work or by reproducing a transmission program embodying a performance of such a work.

(3)(A) In a case of infringement, it shall be a rebuttable presumption that the infringement was committed willfully for purposes of determining relief if the violator, or a person acting in concert with the violator, knowingly provided or knowingly caused to be provided materially false contact information to a domain name registrar, domain name registry, or other domain name registration authority in registering, maintaining, or renewing a domain name used in connection with the infringement.

(B) Nothing in this paragraph limits what may be considered willful infringement under this subsection.

(C) For purposes of this paragraph, the term "domain name" has the meaning given that term in section 45 of the Act entitled "An Act to provide for the registration and protection of trademarks used

in commerce, to carry out the provisions of certain international conventions, and for other purposes" approved July 5, 1946 (commonly referred to as the "Trademark Act of 1946"; 15 U.S.C. 1127).

(d) ADDITIONAL DAMAGES IN CERTAIN CASES.—In any case in which the court finds that a defendant proprietor of an establishment who claims as a defense that its activities were exempt under section 110(5) did not have reasonable grounds to believe that its use of a copyrighted work was exempt under such section, the plaintiff shall be entitled to, in addition to any award of damages under this section, an additional award of two times the amount of the license fee that the proprietor of the establishment concerned should have paid the plaintiff for such use during the preceding period of up to 3 years.

5. 17 U.S.C. 505 provides:

Remedies for infringement: Costs and attorney's fees

In any civil action under this title, the court in its discretion may allow the recovery of full costs by or against any party other than the United States or an officer thereof. Except as otherwise provided by this title, the court may also award a reasonable attorney's fee to the prevailing party as part of the costs.

6. 17 U.S.C. 507 provides:

Limitations on actions

(a) CRIMINAL PROCEEDINGS.—Except as expressly provided otherwise in this title, no criminal proceeding shall be maintained under the provisions of this title unless it is commenced within 5 years after the cause of action arose.

(b) CIVIL ACTIONS.—No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued.

AMICUS CURIAE BRIEF

RECO
AND
BRIEFS

SUPREME COURT, U.S.
FILED
NOV 22 2013
OFFICE OF THE CLERK

No. 12-1315

IN THE

Supreme Court of the United States

PAULA PETRELLA,

Petitioner,

—v.—

METRO-GOLDWYN-MAYER INC., ET AL.,

Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

BRIEF OF *AMICUS CURIAE* AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION IN SUPPORT OF NEITHER PARTY

AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION
WAYNE SOBON, PRESIDENT
241 18th Street, South
Suite 700
Arlington, Virginia 22202
(703) 415-0780

NANCY J. MERTZEL
Counsel of Record
SCHOEMAN UPDIKE KAUFMAN STERN & ASCHER LLP
551 Fifth Avenue
New York, New York 10176
(212) 661-5030
nmertzel@schoeman.com

NOVEMBER 22, 2013

ATTORNEYS FOR AMICUS CURIAE AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION

Library of Congress
Law Library

TABLE OF CONTENTS

TABLE OF AUTHORITIES iii

STATEMENT OF INTEREST 1

SUMMARY OF ARGUMENT 2

BACKGROUND 3

I. Origin of Laches 3

II. Copyright Remedies 4

ARGUMENT 6

I. The Ninth Circuit Decision Is Contrary To Congressional Intent, Violates Separation Of Powers Principles, And Is Against Public Policy 6

A. The Ninth Circuit Decision Is Contrary To Congress' Intent To Provide A Fixed Period Of Three Years To File Suit 6

B. The Ninth Circuit Decision Violates Separation Of Powers Principles 8

C. The Ninth Circuit Decision Is Contrary To Public Policy 10

II. The Ninth Circuit Improperly Denied All Relief To Petrella 11

A. Laches Cannot Bar Remedies At Law Where There Is A Federal Statute Of Limitations 11

B. Laches Has Not And Should Not Bar Damages For Copyright Infringement 13

III. The Ninth Circuit's Reliance On Trademark Cases Was Improper 16

A. The Copyright And Trademark Laws Have Distinct Sources Of Authority, Policy Objectives, And Durations Of Protection 18

B. The Copyright And Trademark Laws Have Distinct Applicable Statutory Provisions 19

C. Substantive Differences Between Copyright and Trademark Law Must Be Considered In Applying Laches 20

CONCLUSION 23

TABLE OF AUTHORITIES

Cases

A.C. Aukerman Co. v. R.L. Chaides Constr. Co.,
960 F.2d 1020 (Fed. Cir. 1992) 22

Abraham v. Ordway,
158 U.S. 416 (1895) 12

Ashley v. Boyle's Famous Corned Beef Co.,
66 F.3d 164 (8th Cir. 1995) 9

Blackburn v. Southern California Gas Co.,
14 F. Supp. 553 (D.C. Cal. 1936) 14

Costello v. United States,
365 U.S. 265 (1961) 4

County of Oneida v. Oneida Indian Nation,
470 U.S. 226 (1985) 9

Danjaq LLC v. Sony Corp.,
263 F.3d 942 (9th Cir. 2001) 15, 16, 17

Hampton v. Paramount Pictures Corp.,
279 F.2d 100 (9th Cir. 1960) 4

Hayden v. Chalfant Press, Inc.,
177 F. Supp. 303 (C.D. Cal. 1959) 14

Holmberg v. Armbrecht,
327 U.S. 392 (1946) 7, 16

Ivani Contracting Corp. v. City of New York,
103 F.3d 257 (2d Cir. 1997) 8

Jacobsen v. Deseret Book Co.,
287 F.3d 936 (10th Cir. 2002) 8

Lyons Partnership L.P. v. Morris Costumes, Inc.,
243 F.3d 789 (4th Cir. 2001) 9

McLean v. Fleming,
96 U.S. 245 (1877) 21

Menendez v. Holt,
128 U.S. 514 (1888) 21

New Era Pubs. Intern., ApS v. Henry Holt and Co., Inc., 873 F.2d 576 (2d Cir. 1989) 14

Petrella v. Metro-Goldwyn-Mayer, Inc.,
695 F.3d 946 (9th Cir. 2012) .....passim

Roley v. New World Pictures, Ltd.,
19 F.3d 479 (9th Cir. 1994) 15

Russell v. Todd,
309 U.S. 280 (1940) 4

Saxlehner v. Eisner & Mendelson Co.,
179 U.S. 19 (1900) 21

Sony Corp. of America v. Universal City Studios, Inc., 464 U.S. 417 (1984) 18

Stainback v. Mo Hock KeLok Po,
336 U.S. 368 (1949) 12

United States v. Mack,
295 U.S. 480 (1935) 12

United States v. Rodriguez-Aguirre,
264 F.3d 1195 (10th Cir. 2001) 8

Wehrman v. Conklin,
155 U.S. 314 (1894) 11

Weinberger v. Romero-Barcelo,
456 U.S. 305 (1982) 3

West Publishing Co. v. Edward Thompson Co.,
176 F. 833 (2d Cir. 1910) 14

Statutes, Regulations and Constitutional Provisions

1 Cong. Ch. 15, 1 Stat. 124 5

15 Cong. Ch. 19, 3 Stat. 481 5

15 U.S.C. § 1114 20

15 U.S.C. § 1116(a) 20

15 U.S.C. § 1125(a), (c), (d) 20

17 U.S.C. § 302 19

17 U.S.C. § 502 5

17 U.S.C. § 504(a)-(c) 5

17 U.S.C. § 505 5

17 U.S.C. § 507(b) 2, 7, 19

17 U.S.C. § 513 5

28 U.S.C. § 1658 20

35 U.S.C. § 286 22

Copyright Act of 1957, Pub. L. No. 85-313, 71 Stat. 633 (1957) 7

U.S. CONST. art. I, § 8, cl. 8 ..... 18, 19

Other Authorities

CHARLES ALAN WRIGHT & ARTHUR R. MILLER, FEDERAL PRACTICE AND PROCEDURE, (2d ed. 1987) 12

DAN B. DOBBS, DOBBS LAW OF REMEDIES: DAMAGES-EQUITY-RESTITUTION (2d ed. 1993) 13

Dylan Ruga, *The Role of Laches in Closing the Door on Copyright Infringement Claims*, 29 NOVA L. REV. 663 (2005) 5

Gail L. Heriot, *A Study in the Choice of Form: Statutes of Limitation and the Doctrine of Laches*, 1992 B.Y.U. L. REV. 917 (1992) 10

J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION (4th ed. 2013) 18, 19, 20, 22

Journal of the United States in Congress Assembled, Containing the Proceedings from Nov. 1782, to Nov. 1783 4

Kenneth L. Port, *Trademark Extortion: The End of Trademark Law*, 65 WASH. & LEE L. REV. 585 16

MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT (2007) ..... passim

RESTATEMENT (THIRD) OF UNFAIR COMPETITION 22

S. REP. NO. 85-1014 (1957) 6, 7

U.S. COPYRIGHT OFFICE, COPYRIGHT SMALL CLAIMS (2013) 15

WILLIAM F. PATRY, PATRY ON COPYRIGHT (2007) 9, 16, 17

William S. Strauss, *History of the Damage Provisions* (October 1956) 5

STATEMENT OF INTEREST[1]

The American Intellectual Property Law Association ("AIPLA") is a national bar association of more than 15,000 members engaged in private and corporate practice, in government service, and in the academic community. AIPLA represents a wide and diverse spectrum of individuals, companies, and institutions involved directly and indirectly in the practice of patent, trademark, copyright, and unfair competition law, as well as other fields of law affecting intellectual property. AIPLA members represent both owners and users of intellectual property.

AIPLA has no interest in any party to this litigation nor does AIPLA have a stake in the outcome of this case, other than its interest in

---

[1] In accordance with Supreme Court Rule 37.6, amicus curiae states that this brief was not authored, in whole or in part, by counsel to a party, and that no monetary contribution to the preparation or submission of this brief was made by any person or entity other than the amicus curiae or its counsel. After reasonable investigation, AIPLA believes that (i) no member of its Board or Amicus Committee who voted to file this brief, or any attorney in the law firm or corporation of such a member, represents a party to this litigation, (ii) no representative of any party to this litigation participated in the authorship of this brief, and (iii) no one other than AIPLA, or its members who authored this brief and their law firms or employers, made a monetary contribution to the preparation or submission of this brief.

seeking a correct application of laches in intellectual property cases.[2]

SUMMARY OF ARGUMENT

AIPLA urges the Court to vacate the Ninth Circuit decision that laches can bar all relief, both equitable and legal, for past and future acts of copyright infringement. The Ninth Circuit ruling violates 17 U.S.C. § 507(b), which is Congress' express definition of the specific period within which a plaintiff may seek a remedy for copyright infringement. While a substantial delay that prejudices a defendant may or may not warrant barring equitable relief, laches should not bar all relief for infringement during and following the three-year limitations period. In particular, due regard for the statute, the legislature, and copyright policy goals militates against allowing laches to bar the legal remedy of damages for infringing acts within the limitations period.

The Ninth Circuit decision should also be vacated because it improperly relies upon trademark jurisprudence. Despite the general applicability of the principles of equity, courts applying laches should take into account the broader context, including specific attributes of the area of law at issue. Copyright and trademark laws have distinct policy objectives, applicable statutory provisions, and

---

[2] In accordance with Supreme Court Rule 37.3(a), the parties have consented to the filing of this amicus brief in support of neither party, and consent letters have been filed with the Court.

durations of protection. These distinctions require that laches be applied with a nuanced approach, rather than a broad brush, as evidenced by the historically different treatment of laches in different areas of the law, including copyright and trademark.

AIPLA takes no position on who should prevail on the present facts, but instead seeks to address the broader concerns of authors and creators. Uniformity within copyright law is critical to avoid forum shopping by copyright owners and declaratory judgment plaintiffs. In providing uniformity in copyright law, however, the Court should take care not to disturb historical distinctions in applying laches in other areas of intellectual property law, or any other area of law. Doing so would indeed be "a major departure from the long tradition of equity practice" in separate areas of the law, which "should not be lightly implied." *Weinberger v. Romero-Barcelo*, 456 U.S. 305, 320 (1982).

BACKGROUND

I. Origin of Laches

Laches is a judicially created doctrine that originated in the English courts of equity because statutes of limitations did not apply to equitable claims. As this Court explained:

> From the beginning, equity, in the absence of any statute of limitations made applicable to equity suits, has provided its own rule of limitations through the doctrine of laches, the

> principle that equity will not aid a plaintiff whose unexcused delay, if the suit were allowed, would be prejudicial to the defendant.

Russell v. Todd, 309 U.S. 280, 287 (1940).

The laches doctrine serves to prohibit stale claims, protecting a defendant from harm caused by a plaintiff's unreasonable delay. Laches "requires proof of (1) lack of diligence by the party against whom the defense is asserted, and (2) prejudice to the party asserting the defense." *Costello v. United States*, 365 U.S. 265, 282 (1961).

Copyright law recognizes laches and equitable estoppel as distinct defenses. [3] Unlike laches, equitable estoppel may bar a copyright plaintiff's claim entirely. 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 13.07[A] (2007).

II. Copyright Remedies

The first copyright laws, state statutes passed in response to a 1783 resolution by the Continental Congress, [4] required an infringer to pay actual

---

[3] The elements of equitable estoppel are: a) the plaintiff must know the facts of the defendant's infringing conduct; b) the plaintiff must intend that its conduct shall be acted on or must so act that the defendant has a right to believe that it so intended; c) the defendant must be ignorant of the true facts; and d) the defendant must rely on the plaintiff's conduct to its injury. *Hampton v. Paramount Pictures Corp.*, 279 F.2d 100, 104 (9th Cir. 1960).

[4] Journal of the United States in Congress Assembled, Containing the Proceedings from Nov. 1782, to Nov. 1783, 256-57, *in* 8 NIMMER ON COPYRIGHT, Appendix 7.

damages, statutory damages, forfeitures and/or penalties.[5] Similarly, the first federal Copyright Act, passed in 1790, required the offender to "forfeit and pay the sum of fifty cents for every sheet" along with "damages occasioned by such injury." 1 Cong. Ch. 15, 1 Stat. 124 (May 31, 1790).

The Copyright Act did not authorize injunctive relief until 1819. The amendment extended the jurisdiction of circuit courts to include "original cognisance, as well in equity as at law" over copyright cases. The amendment further provided that the courts "upon any bill in equity, filed by any party aggrieved in any such cases, shall have authority to grant injunctions, according to the course and principles of courts of equity..." 15 Cong. Ch. 19, 3 Stat. 481 (Feb. 15, 1819).

Currently, the Copyright Act provides several types of relief, including injunctions (17 U.S.C. § 502), impounding and destroying infringing copies and phonorecords (17 U.S.C. § 513), actual damages and additional profits of the infringer not included as actual damages (17 U.S.C. § 504(a) and (b)), statutory damages (17 U.S.C. § 504(c)), and costs and attorney's fees (17 U.S.C. § 505). Actual damages and statutory damages are of legal origin, while the others are of equitable origin. *See* Dylan Ruga, *The Role of Laches in Closing the Door on Copyright Infringement Claims*, 29 NOVA L. REV. 663, 673-685 (2005).

---

[5] William S. Strauss, *History of the Damage Provisions* (October 1956), *in* 8 NIMMER ON COPYRIGHT, Study No. 22.

The Ninth Circuit decision ignored these important differences among copyright remedies in holding that the laches doctrine barred them all. The decision also disregarded separate acts of infringement that allegedly occurred within the statute of limitations period. Accordingly, the decision should be vacated and the case remanded for consideration of whether and how laches applies to the legal remedies in the Copyright Act.

ARGUMENT

I. The Ninth Circuit Decision Is Contrary To Congressional Intent, Violates Separation Of Powers Principles, And Is Against Public Policy

A. The Ninth Circuit Decision Is Contrary To Congress' Intent To Provide A Fixed Period Of Three Years To File Suit

Congress added a statute of limitations period to the Copyright Act to provide uniformity, avoid forum shopping, and provide plaintiffs with "an adequate opportunity" to commence litigation. S. REP. NO. 85-1014 at 1962 (1957). For a court to shorten the three-year statute of limitations for all relief in a copyright infringement action would deprive a plaintiff of its "adequate opportunity" to enforce its rights, in contravention of Congress' expressly stated intent.

Prior to 1957, the Copyright Act had no limitations period for civil claims, leaving courts to rely on state statutes or analogous limitations periods. 1 NIMMER ON COPYRIGHT, § 12.05[A] n. 1.

These periods ranged from one year in Alabama to eight years in Wyoming. S. REP. NO. 85-1014 at 1962 (1957).

In 1957, Congress amended the Copyright Act to add a statute of limitations for civil claims. Copyright Act of 1957, Pub. L. No. 85-313, 71 Stat. 633 (1957). The amendment was intended to bring uniformity to the law and to prevent forum shopping. S. REP. NO. 85-1014, at 1964 (1957). The revised statute, which has not changed since its enactment, provides as follows:

> No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued.

17 U.S.C. § 507(b) (2006).

The Senate Report for the 1957 amendment considered three years an appropriate time for a plaintiff to file suit. Concurring with the witnesses who testified before the House Judiciary Committee, the Senate Judiciary Committee stated that "[it] agrees that 3 years is an appropriate period for a uniform statute of limitations for civil copyright actions and that *it would provide an adequate opportunity for the injured party to commence his action*." S. REP. NO. 85-1014, at 1962 (1957) (emphasis added).

As this Court stated in *Holmberg v. Armbrecht*, 327 U.S. 392, 395 (1946): "If Congress explicitly puts a limit upon the time for enforcing a right which it created, there is an end of the matter.

The Congressional statute of limitations is definitive."

Nearly all other circuit courts that have considered the issue have held that the statutory limitations period precludes application of laches to claims for damages for infringements within the limitations period. For example, the Second Circuit held, "The prevailing rule, then, is that when a plaintiff brings a federal statutory claim seeking legal relief, laches cannot bar that claim, at least where the statute contains an express limitations period within which the action is timely." *Ivani Contracting Corp. v. City of New York*, 103 F.3d 257, 260 (2d Cir. 1997). The Tenth Circuit similarly held, "when a limitation on the period for bringing suit has been set by statute, laches will generally not be invoked to shorten the statutory period." *Jacobsen v. Deseret Book Co.*, 287 F.3d 936, 951 (10th Cir. 2002), *citing United States v. Rodriguez-Aguirre*, 264 F.3d 1195, 1207-08 (10th Cir. 2001).

The Ninth Circuit decision that laches can bar all relief, even for infringements during the three-year limitations period, violates Congress' intent to provide plaintiffs a fixed period of time to file suit.

B. The Ninth Circuit Decision Violates Separation Of Powers Principles

When Congress has passed an express statute of limitations, and made clear it intended the period to serve as a fixed time within which a plaintiff may bring suit, the application of equitable principles to

shorten the period violates the separation of powers required by the Constitution.

This Court has acknowledged that separation of powers impacts a court's ability to apply laches so as to bar a legal claim under a federal statute. "In deference to the doctrine of separation of powers, the Court has been circumspect in adopting principles of equity in the context of enforcing federal statutes." *County of Oneida v. Oneida Indian Nation*, 470 U.S. 226, 244 n. 12 (1985) (Stevens, J., dissenting) (referenced with approval in the majority opinion. *Id.* at 239 n. 16.).

Circuit courts have similarly held that separation of powers prevents a court from overruling the legislature's judgment. *See Lyons Partnership L.P. v. Morris Costumes, Inc.*, 243 F.3d 789, 798 (4th Cir. 2001) ("Separation of powers principles thus preclude us from applying the judicially created doctrine of laches to bar a federal statutory claim that has been timely filed under an express statute of limitations."); *Ashley v. Boyle's Famous Corned Beef Co.*, 66 F.3d 164, 170 (8th Cir. 1995) ("separation of power principles dictate that federal courts not apply laches to bar a federal statutory claim that is timely filed under an express federal statute of limitations."). *See also* 6 WILLIAM F. PATRY, PATRY ON COPYRIGHT § 20:55 (2007) ("misapplication of laches within the limitations period may violate the separation of powers doctrine.").

C. The Ninth Circuit Decision Is Contrary To Public Policy

While the facts of the Ninth Circuit decision concern delay of 19 years, the holding extends to bar damages for acts of infringement that occurred within the limitations period. *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 695 F.3d 946, 951 (9th Cir. 2012) ("[I]f any part of the alleged wrongful conduct occurred outside of the limitations period, courts presume that the plaintiff's claims are barred by laches."). As such, if the Ninth Circuit decision is affirmed, copyright owners will be pressured to commence litigation shortly after learning of a potential infringement, simply to avoid the risk their claims may be barred completely by laches.

Treating the statute of limitations in copyright as a fixed time frame for commencing suit allows a plaintiff time to proceed deliberately upon learning of a potential infringement. It permits the plaintiff to investigate its claim, consult with counsel, contact the accused party, conduct settlement discussions, and consider whether litigation is necessary or appropriate. *See* Gail L. Heriot, *A Study in the Choice of Form: Statutes of Limitation and the Doctrine of Laches*, 1992 B.Y.U. L. REV. 917, 941 (1992) (a rigid rule allows for "amicable settlements when otherwise the anxious potential plaintiff might be forced to file a law suit for fear of being time barred.").

Under the law in most circuits, a copyright plaintiff must commence litigation quickly to seek a preliminary injunction, but she is not required to do

so simply to pursue damages. If the Ninth Circuit decision is affirmed, plaintiffs may feel obligated to commence litigation prophylactically, with the result that some litigation will be premature, unnecessary, and a waste of judicial and party resources.

II. The Ninth Circuit Improperly Denied All Relief To Petrella

A. Laches Cannot Bar Remedies At Law Where There Is A Federal Statute Of Limitations

Actual and statutory damages provided under the Copyright Act are both legal remedies. As such, they should not be barred by laches when Congress has determined the applicable temporal limitation on such legal remedies. Nevertheless, the Ninth Circuit in *Petrella* held that laches applied and affirmed the grant of summary judgment barring plaintiff's claims.

As discussed above, laches developed as equitable alternative to a statute of limitations, intended to achieve a similar goal. As such, laches has no place limiting legal remedies where an applicable federal statute of limitations applies.

This Court has clearly and consistently applied the principle that laches within a statute of limitations is no defense at law. In *Wehrman v. Conklin*, 155 U.S. 314, 326 (1894), this Court stated "[t]hough a good defense in equity, laches is no defense at law." *Wehrman* emphasized the role of the statute of limitations as a minimum, explaining:

> If the plaintiff at law has brought his action within the period fixed by the statute of limitations, no court can deprive him of his right to proceed. If the statute limits him to 20 years, and he brings his action after the lapse of 19 years and 11 months, he is as much entitled, as matter of law, to maintain it, as though he had brought it the day after his cause of action accrued....

Id. at 326; *cited with approval in Abraham v. Ordway*, 158 U.S. 416, 422-23 (1895).

In *United States v. Mack*, 295 U.S. 480, 489 (1935), this Court reiterated, "[l]aches within the term of the statute of limitations is no defense at law." Although *Mack* was decided prior to the 1938 merger of law and equity, it is well-established that the merger of law and equity was, in many respects procedural, not substantive. *See Stainback v. Mo Hock KeLok Po*, 336 U.S. 368, 382 n. 26 (1949) (acknowledging that notwithstanding the 1938 merger of law and equity into a single form of action, "the substantive principles of Courts of Chancery remain unaffected."). *See also* 4 CHARLES ALAN WRIGHT & ARTHUR R. MILLER, FEDERAL PRACTICE AND PROCEDURE, § 1043 (2d ed. 1987) ("the substantive and remedial principles that applied prior to the advent of the federal court rules are not changed.").[6]

---

[6] It is generally accepted that distinctions between law and equity continue to "be important in determining (1) the appropriate statute of limitation to apply to the plaintiff's

In his treatise on remedies, Professor Dobbs agreed that laches should not apply in the context of a federal statute of limitations:

> When laches is invoked to bar a claim that is valid on the merits and one that is permitted under an appropriate statute of limitations..., the defense has little place in a modern scheme of procedure and justice. If it is invoked at all in such a case, it should be invoked only as a factor bearing on the grant of coercive equitable remedies.

1 DAN B. DOBBS, DOBBS LAW OF REMEDIES: DAMAGES-EQUITY-RESTITUTION 104 (2d ed. 1993), *at* 152.

Nevertheless, the Ninth Circuit allowed laches to bar all relief, legal and equitable, adopting a stance that is "the most hostile to copyright owners of all the circuits." *Petrella*, 695 F.3d at 958 (Fletcher, J., concurring).

B. Laches Has Not And Should Not Bar Damages For Copyright Infringement

The following brief review of historical and contemporary applications of laches in copyright cases shows how far the Ninth Circuit has strayed from observing the proper role of law and equity.

Where laches applied in early copyright infringement cases, it was used to bar injunctive

---

claim, (2) the right to a jury trial on one or more issues in the case, and (3) the right to an interlocutory appeal of a court order staying an action." WRIGHT & MILLER § 1045.

relief, but *not* damages. For example, in *West Publishing Co. v. Edward Thompson Co.*, 176 F. 833 (2d Cir. 1910), the Second Circuit held the plaintiff was entitled to damages, even though the trial judge properly denied an injunction and an accounting of profits because of plaintiff's delay and the resulting prejudice to the defendant:

> This court, having obtained jurisdiction of the cause and having the power to grant an injunction, has the right to do justice between the parties and to dispose of it finally, even if this involves withholding injunctive relief and awarding damages.

Id. at 839. *See also Blackburn v. Southern California Gas Co.*, 14 F. Supp. 553, 554 (D.C. Cal. 1936) (holding that plaintiff's lack of vigilance deprived it of injunctive relief and an accounting, but "does not justify the court in denying to the complainant all relief and any damages whatsoever."); *Hayden v. Chalfant Press, Inc.*, 177 F. Supp. 303, 307 (C.D. Cal. 1959) (holding that while laches might "result in denial of equitable relief, such as injunction and recovery of profits," unlike estoppel "it would not stand in the way of the granting of damages for the unauthorized copying or of injunction against future violations.").

In contemporary copyright infringement cases, courts use laches to bar injunctive relief but not damages. *See, e.g., New Era Pubs. Intern., ApS v. Henry Holt and Co., Inc.*, 873 F.2d 576, 585 (2d Cir. 1989) ("Such severe prejudice, coupled with the unconscionable delay already described, mandates

denial of the injunction for laches and relegation of New Era to its damages remedy.").

Accordingly, most courts will allow a plaintiff to recover damages for infringing acts during the limitations period, even if the infringement commenced *before* the limitations period. 1 NIMMER ON COPYRIGHT § 12:05[B] ("If infringement occurred within three years prior to filing, the action will not be barred even if prior infringements by the same party as to the same work are barred because they occurred more than three years previously."). In fact, prior to its decisions in *Petrella* and *Danjaq LLC v. Sony Corp.*, 263 F.3d 942 (9th Cir. 2001), even the Ninth Circuit recognized such recovery was permitted. *See Roley v. New World Pictures, Ltd.*, 19 F.3d 479, 481 (9th Cir. 1994) ("In a case of continuing copyright infringements, an action may be brought for all acts that accrued within the three years preceding the filing of the suit.").

Assuming, *arguendo*, that laches extends to legal claims, allowing laches to bar damages would be inequitable, particularly in disputes between individual authors or artists who may not have commercialized their works and larger commercial entities that have invested substantially in the infringing work. *See* U.S. COPYRIGHT OFFICE, COPYRIGHT SMALL CLAIMS (2013). Awarding damages compensates a plaintiff for the use, enables the public to benefit from access to the work, and avoids the harm to a defendant of an injunction.[7] In

---

[7] Although some plaintiffs litigate to prevent use of their work altogether, others, the majority of plaintiffs, likely would allow

fact, unlike trademark litigation, where recovery of damages is rare, damages are a standard remedy in copyright infringement cases. [8] In this context, barring injunctive relief is more equitable, and more sensible, than barring damages.

III. The Ninth Circuit's Reliance On Trademark Cases Was Improper

The Ninth Circuit decision was based solely on its earlier decision in *Danjaq LLC v. Sony Corp.*, 263 F.3d 942 (9th Cir. 2001), and its own trademark case law, with no consideration of the differing underlying principles of copyright and trademark law. In applying equitable principles, however, courts must take into account the facts of each case, as well as the legal context in which a claim arises, and avoid a "one-size-fits-all" approach. "Equity eschews mechanical rules; it depends on flexibility." *Holmberg*, 327 U.S. at 396. Such flexibility includes consideration of the cause of action and the context,

---

the use, provided it was subject to a license that provided for adequate compensation, attribution, and other terms.

[8] For a discussion on the availability of damages to trademark plaintiffs, *see* Kenneth L. Port, *Trademark Extortion: The End of Trademark Law*, 65 WASH. & LEE L. REV. 585, 622 ("Only 5.5% of all [trademark] cases awarded any damages at all."). For a discussion on the availability of damages to copyright plaintiffs, *see* 6 PATRY ON COPYRIGHT § 22:88 ("From its inception in 1790, federal copyright law has provided monetary remedies for infringement. The types of such remedies have varied, from qui tam forfeitures split 50-50 with the government, to flat rates per infringing copy, to statutory damages awarded within a range of minima and maxima. All copyright statutes have permitted recovery of actual damages for at least some types of works.").

not only the unreasonableness of the delay and the prejudice to the defendant.

Without any discussion or analysis, the *Petrella* decision barred the plaintiff from all recovery. The Ninth Circuit court simply quoted its earlier decision in *Danjaq* for the proposition that "Laches is an equitable defense that prevents a plaintiff, who with full knowledge of the facts, acquiesces in a transaction and sleeps on his rights." *Petrella*, 695 F.3d at 951 *quoting Danjaq*, 263 F.3d at 950-51.

The *Danjaq* decision, however, has been criticized for its use of laches to bar relief. 3 NIMMER ON COPYRIGHT § 12.06 ("*Danjaq* ruled that laches barred a 1998 claim against the 1997 release of DVDs, and barred a future injunction as well as relief for past conduct—both doctrinally beyond the traditional scope of the laches defense."); 6 PATRY ON COPYRIGHT § 20:55 ("*Danjaq* should illustrate how there is no role for laches in copyright cases.").

The *Petrella* decision continued to hold that laches may be *presumed* if infringement commenced prior to the limitations period. "[I]f any part of the alleged wrongful conduct occurred outside of the limitations period, courts presume that the plaintiff's claims are barred by laches." *Petrella*, 695 F.3d at 951. Here, the Ninth Circuit cited only its decision in *Miller v. Glenn Miller Prods., Inc.*, 454 F.3d 975, 997 (9th Cir. 2006), ignoring the fact that *Miller* and the cases it relied upon were trademark cases.

As discussed below, however, the laws supporting trademark infringement claims have distinct sources of legal authority, policy objectives, durations of protection, and statutory provisions.

A. The Copyright And Trademark Laws Have Distinct Sources Of Authority, Policy Objectives, And Durations Of Protection

The federal copyright and trademark laws are based upon distinct sources of legal authority. The Copyright Act is grounded in the Copyright and Patent Clause of the Constitution:

> To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.

U.S. CONST. art. I, § 8, cl. 8. By its express language, the Copyright and Patent Clause is evidence of a policy OBJECTIVE of promoting Science and useful Arts (authorship and invention) by incentivizing creativity. *See Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984).

In contrast, the Constitutional authority for the Lanham Act is found in the Commerce Clause, which is concerned with regulating trade. *See* 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 5:3 (4th ed. 2013) ("The power of the federal government to provide for trademark registration comes only under its 'Commerce Power.'").

The copyright and trademark laws also have distinct policy objectives. The Copyright Act serves to promote authorship. U.S. CONST. art. I, § 8, cl. 8. The Lanham Act serves to protect the public against confusion in the market, and to protect the trademark owner's investment in its brand identity. 1 MCCARTHY ON TRADEMARKS § 2:1.

Additionally, the copyright and trademark laws have distinct terms of protection. Copyright protection exists for a limited time, [9] while trademark rights can last indefinitely, provided the trademark is properly used, maintained and enforced. *See e.g.* 3 MCCARTHY ON TRADEMARKS § 19:142 ("Lanham Act registrations remain in force for 10 (ten) years and can be renewed indefinitely for 10-year periods".).

B. The Copyright And Trademark Laws Have Distinct Applicable Statutory Provisions

The Copyright Act has an actual statute of limitations, codified at 17 U.S.C. § 507(b); in contrast, the Lanham Act has no limitations period applicable to actions for infringement, false advertising and federal unfair competition claims. 6 MCCARTHY ON TRADEMARKS § 31.6.

---

[9] For works created after January 1, 1978, copyright protection generally lasts for the life of the author plus 70 years; for anonymous, pseudonymous and works made for hire, copyright protection generally lasts for 95 years from the year of first publication or 120 years from the year of creation, whichever expires first. 17 U.S.C. § 302 (2006).

While a catch-all federal four-year statute of limitations can be found at 28 U.S.C. § 1658, that provision applies only to statutes enacted after December 1, 1990. Accordingly, it does not apply to trademark infringement claims under 15 U.S.C. § 1114, or to false advertising and unfair competition claims under 15 U.S.C. § 1125(a), because those provisions were enacted prior to December 1, 1990.[10] As a result, courts applying laches in trademark, false advertising, and federal unfair competition claims look to analogous state law statutes of limitation. 6 MCCARTHY ON TRADEMARKS § 31.1.

Moreover, unlike the Copyright Act, the federal trademark law states that a plaintiff's entitlement to damages is "subject to principles of equity." 15 U.S.C. § 1116(a) (2006). Thus, the Lanham Act expressly requires that damage awards be made based on equitable principles, which, obviously, include the equitable defense of laches.

C. Substantive Differences Between Copyright and Trademark Law Must Be Considered In Applying Laches

The fundamental distinctions between copyright and trademark law discussed above require that laches be applied differently in these areas of the law. Indeed, the policy objectives of trademark law have led this Court to support the application of laches to bar monetary relief, but not

---

[10] This provision does apply to dilution and cybersquatting claims brought under 15 U.S.C. §§ 1125 (c) and (d) because they were enacted after December 1, 1990.

to bar an injunction. For example, in *McLean v. Fleming*, 96 U.S. 245, 256 (1877), this Court applied laches to hold that the plaintiff's delay barred an accounting of the defendant's gains and profits, but ruled that "the injunction was properly granted to prevent infringement subsequent to the filing of the bill of complaint."

> Cases frequently arise where a court of equity will refuse the prayer of the complainant for an account of gains and profits, on the ground of delay in asserting its rights, even when the facts proved render it proper to grant an injunction to prevent future infringement.

Id. at 257. This principle was reiterated in *Menendez v. Holt*, 128 U.S. 514, 525 (1888) ("Delay in bringing suit there was, and such delay as to preclude recovery of damages for prior infringement; but there was neither conduct nor negligence which could be held to destroy the right to prevention of further injury."), and again in *Saxlehner v. Eisner & Mendelson Co.*, 179 U.S. 19, 39-40 (1900) (citations omitted) (trademark infringement injunction will not be denied "on the ground that mere procrastination in seeking redress for depredations had deprived the true proprietor of his legal right.").

Trademark law largely exists to protect the public from confusion, which is one of the principle reasons for this distinction. It is one thing to deny a trademark plaintiff who has slept on its rights an

accounting or other monetary relief;[11] it is quite another to subject consumers to ongoing confusion because of the plaintiff's delay. *See* RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 31, Comment E ("while a denial of monetary relief may rest solely on the relative equities as between the parties, the public interest [in protecting consumers from continued use of confusing designations] is an explicit factor in decisions relating to injunctions."); 6 MCCARTHY ON TRADEMARKS § 31.6 (given overriding public interest in being free from confusion and mistake as to source or affiliation, defense of laches rarely applied to preliminary injunctions.)

As the discussion above underscores, the Constitutional basis, statutory framework and policy considerations of copyright law prohibit reliance on principles of trademark law (or any number of other areas of law) in the application of laches.[12] The

---

[11] "The distinction between the 'equitable' remedy of an accounting and the 'legal' remedy of damages has not generally been maintained in actions for unfair competition... and the 'equitable' doctrine of laches has frequently been invoked to preclude the recovery of damages by the trademark owner." RESTATEMENT (THIRD) OF UNFAIR COMPETITION, § 31, Comment D.

[12] For example, the Patent Act also differs materially from the Copyright Act. The limitations provision there simply limits *damages* to infringing acts committed within the six year period before the suit was filed, but serves as no bar to the cause of action itself. 35 U.S.C. § 286 (2006). In addition, in patent cases, laches prohibits recovery of past damages, but only equitable estoppel can prohibit recovery of future relief. *See A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020 (Fed. Cir. 1992).

Ninth Circuit erred by blithely applying black letter pronouncements from trademark law without considering the significant substantive distinctions with copyright to its laches analysis. Accordingly, its decision should be vacated.

CONCLUSION

For the foregoing reasons, AIPLA respectfully requests that the Court clarify that the application of laches to the different areas of intellectual property law may produce different results related to the different rights conferred and policies behind those areas of the law. AIPLA also requests a clarification that laches, which may apply to acts occurring within a statute of limitations period, should not extend to damages as a remedy at law.

Respectfully submitted,

AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION
WAYNE SOBON, PRESIDENT
241 18th Street, South
Suite 700
Arlington, Virginia 22202
(703) 415-0780

NANCY J. MERTZEL
Counsel of Record
SCHOEMAN UPDIKE KAUFMAN STERN & ASCHER LLP
551 Fifth Avenue
New York, New York 10176
(212) 661-5030
nmertzel@schoeman.com

NOVEMBER 22, 2013

ATTORNEYS FOR AMICUS CURIAE AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION

AMICUS CURIAE BRIEF

RECORD
AND
BRIEFS

No. 12-1315

In the Supreme Court of the United States

PAULA PETRELLA,

Petitioner,

v.

METRO-GOLDWYN-MAYER, INC., et al.,

Respondents.

On Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

BRIEF OF T. LEIGH ANENSON AS *AMICUS CURIAE* IN SUPPORT OF RESPONDENTS

LARA M. KRIEGER
Counsel of Record
LAW OFFICE OF LARA M. KRIEGER
2029 Century Park East
Suite 1700
Los Angeles, CA 90067
(310) 975-8513
lkrieger@larakriegerlaw.com

T. LEIGH ANENSON
UNIVERSITY OF MARYLAND
ROBERT H. SMITH SCHOOL OF BUSINESS
3429 Van Munching Hall
College Park, MD 20742
(301) 405-4105
lanenson@rhsmith.umd.edu

Counsel for Amicus Curiae T. Leigh Anenson

Becker Gallagher · Cincinnati, OH · Washington, D.C. · 800.890.5001

TABLE OF CONTENTS

TABLE OF AUTHORITIES ii

INTEREST OF AMICUS CURIAE 1

SUMMARY OF ARGUMENT 1

ARGUMENT 2

This Court Should Clarify That Federal Courts Have Discretion To Apply A Laches Defense To A Copyright Act Claim Where The Separate Accrual Rule Would Extend The Limitations Period Indefinitely 2

CONCLUSION 5

APPENDIX

Identifying the Amicus Curiae ..... App. 1

TABLE OF AUTHORITIES

OTHER AUTHORITIES

T. Leigh Anenson, *Beyond Chafee: A Process-Based Theory of Unclean Hands*, 47 Am. Bus. L.J. 509 (2010) 4

T. Leigh Anenson & Gideon Mark, *Inequitable Conduct in Retrospective: Understanding Unclean Hands in Patent Remedies*, 62 Am. U. L. Rev. 1441 (2013) 4

T. Leigh Anenson, *Limiting Legal Remedies: An Analysis of Unclean Hands*, 99 Ky. L.J. 63 (2011) 3, 4

T. Leigh Anenson, *Treating Equity Like Law: A Post-Merger Justification of Unclean Hands*, 45 Am. Bus. L.J. 455 (2008) 2, 3, 4

William Gummow, *Conclusion in* EQUITY IN COMMERCIAL LAW (Simone Degeling & James Edelman eds., 2005) 4

Oliver Wendell Holmes, *The Path of the Law*, 10 Harv. L. Rev. 457 (1897) 4

Beverley McLachlin, *Foreword in* EQUITY IN COMMERCIAL LAW (Simone Degeling & James Edelman eds., 2005) 3

Ralph A. Newman, *Equity and Law: A Comparative Study* 255 (1961) 3

Lionel Smith, *Fusion and Tradition, in* EQUITY IN COMMERCIAL LAW (Simone Degeling & James Edelman eds., 2005) 4

INTEREST OF AMICUS CURIAE

Amicus T. Leigh Anenson, a business law professor at the University of Maryland, studies and writes primarily about the law of equity.[1] Her research has focused on the equitable defenses of laches, unclean hands, and estoppel. She has studied state and federal court decisions addressing the applicability of equitable defenses to legal relief. Her background is further described in the Appendix. Although amicus agrees with the legal argument in the brief filed by amici Laycock, Gergen, and Rendleman, she submits this brief to provide the Court with analysis and secondary authorities not cited in any of the other briefing. Amicus's interest in this case is to clarify the equitable remedial defense of laches by providing the Court with a broader perspective on the fusion of law and equity. She does not evaluate the facts or attempt to resolve the dispute.

SUMMARY OF ARGUMENT

This Court has not addressed the legal status of laches under the Copyright Act. To answer this query, the Court should consider the fusion of law and equity as part of a larger historical and analytical framework. The question now before the Court is one of many questions of law-equity integration being addressed by judges across the common-law world. Closer to home, state and federal courts are facing the two issues at the

---

[1] Amicus files this brief in her individual capacity as a scholar. The universities where she is employed and affiliated take no position on the issues presented. No attorney for either party wrote any part of this brief or helped pay for it. The parties' consents to the filing of amicus briefs are on file with the Clerk.

heart of this case: First, whether laches is available to bar legal relief for a claim arising under a statute, and, second, if so, under what circumstances.

This Court should hold that laches is applicable to legal remedies under the Copyright Act. The Court should further clarify the circumstances under which laches may preclude legal relief. Only this Court is empowered to provide guidelines for the lower courts' exercise of discretion. At a minimum, this Court should hold that laches is available to bar federal copyright claims when necessary to counterbalance a rolling statute of limitations.

ARGUMENT

This Court Should Clarify That Federal Courts Have Discretion To Apply A Laches Defense To A Copyright Act Claim Where The Separate Accrual Rule Would Extend The Limitations Period Indefinitely

Judges wield discretion when ruling on all manner of legal and equitable issues. For centuries, judges have relied on their discretion when considering whether an equitable defense barred actions seeking legal relief.[2] As part of that process, courts have incorporated many equitable defenses into the law.[3] This trend is known as "fusion." And common-law legal systems throughout the world have experienced

---

[2] T. Leigh Anenson, *Treating Equity Like Law: A Post-Merger Justification of Unclean Hands*, 45 Am. Bus. L.J. 455, 463-64 (2008).

[3] *Id.* at 463-64.

fusion—from the United States to England to Australia.[4] This concept is important because it informs much of our modern jurisprudence: "The evolution of law is to a large extent the history of its absorption of equity."[5]

Despite this trend, some state and federal courts reject fusion by clinging to outdated, inapposite case law. Historically, law and equity occupied carefully delineated spheres. In that context, laches—like other equitable defenses such as unclean hands—was used almost exclusively to deny equitable relief.[6] But the law is not stagnant. Law and equity have merged. One result of merger is that state and federal courts hold that so-called equitable defenses may bar legal relief in both common-law and statutory actions.[7] Courts holding otherwise generally do so either without citing any authority or by erroneously relying on case law predating the merger of law and equity.[8]

---

[4] *See* Beverley McLachlin, *Foreword in* EQUITY IN COMMERCIAL LAW (Simone Degeling & James Edelman eds., 2005) at viii (placing the fusion debate in context for specific areas of commercial law and providing case examples from England, Canada, Australia, and New Zealand).

[5] Ralph A. Newman, *Equity and Law: A Comparative Study* 255 (1961).

[6] Anenson, *supra* note 2, at 462-63; T. Leigh Anenson, *Limiting Legal Remedies: An Analysis of Unclean Hands*, 99 Ky. L.J. 63, 112-13 (2011).

[7] Anenson, *supra* note 2, at 469-74.

[8] Anenson, *supra* note 6, at 100; *see also* Pet. Br. 50.

Fusion is just one example of how the law evolves through the centuries.[9] And it is an example that exemplifies Oliver Wendell Holmes's refusal to perpetuate a legal rule after the historical reason for the rule no longer existed.[10] In this vein, courts should be encouraged to exercise their discretion on a case-by-case basis when considering the viability of an equitable defense—whether it be laches or unclean hands or any another equitable defense—to actions seeking legal relief.[11]

This principle applies with equal force to actions alleging statutory violations.[12] In such cases, the judge's discretion to allow an equitable defense is informed by the statute's purposes.[13] This case

---

[9] Lionel Smith, *Fusion and Tradition*, *in* EQUITY IN COMMERCIAL LAW, *supra* note 4, at 19, 38 ("There is a history of integration and mutual learning between the common law and Equity that goes back centuries.").

[10] Oliver Wendell Holmes, *The Path of the Law*, 10 Harv. L. Rev. 457, 469 (1897).

[11] Anenson, *supra* note 6, at 103-08; Anenson, *supra* note 2, at 476-508.

[12] *See* Anenson, *supra* note 6, at 89-99; *see also* William Gummow, *Conclusion in* EQUITY IN COMMERCIAL LAW, *supra* note 4, at 515, 517 ("Many statutory regimes would not have functioned effectively without a leavening of equity.").

[13] Anenson, *supra* note 2, at 506-07; T. Leigh Anenson, *Beyond Chafee: A Process-Based Theory of Unclean Hands*, 47 Am. Bus. L.J. 509, 543, 553-54 (2010); *see also* T. Leigh Anenson & Gideon Mark, *Inequitable Conduct in Retrospective: Understanding Unclean Hands in Patent Remedies*, 62 Am. U. L. Rev. 1441, 1489, 1502-03 (2013).

presents the Court with the opportunity to further develop this body of law. Specifically, the Court ought to clarify the circumstances under which judges may rely on laches in cases seeking legal and equitable relief under the Copyright Act. Judges currently have no benchmarks to frame the exercise of their discretion and no framework within which to reconcile the competing reliance interests at stake. This Court can and should use this case to define those parameters. At the very least, it should hold that laches is available in cases where the operation of the separate accrual rule prevents the lapse of the Copyright Act's statutory limitations period.

CONCLUSION

It has been 75 years since the Federal Rules of Civil Procedure unified law and equity. During that time period, state and federal courts have been grappling with whether, and under what circumstances, equitable remedial defenses—including laches—bar legal relief.

This Court should hold that federal courts have the discretion to apply laches to requests for legal relief under the Copyright Act. Additionally, the Court ought to clarify the circumstances that federal courts should consider when exercising this discretion. In particular, this Court should hold that laches is a viable defense to claims arising under the Copyright Act where the operation of the separate accrual rule would allow the limitations period to run indefinitely.

Respectfully submitted,

Lara M. Krieger
Counsel of record
LAW OFFICE OF LARA M. KRIEGER
2029 Century Park East, Suite 1700
Los Angeles, CA 90067
(310) 975-8513
lkrieger@larakriegerlaw.com

T. Leigh Anenson
University of Maryland
Robert H. Smith School of Business
3429 Van Munching Hall
College Park, MD 20742
(301) 405-4105
lanenson@rhsmith.umd.edu

Counsel for *Amicus Curiae*
T. Leigh Anenson

December 2013

APPENDIX

APPENDIX

TABLE OF CONTENTS

Identifying the Amicus Curiae . . . . . App. 1

APPENDIX

IDENTIFYING THE AMICUS CURIAE

T. Leigh Anenson is an Associate Professor of Business Law at the University of Maryland Robert H. Smith School of Business and a Senior Fellow in the Department of Business Law & Taxation at Monash University. She is the author of several articles on the law of equity and equitable defenses.[1] Her equity research has earned the two most prestigious international awards given by the Academy of Legal Studies in Business. She was previously a Visiting Fellow in Commercial Equity at the University of Cambridge, England, and a Visiting Scholar in Equity with the Ross Parsons Centre for Commercial, Corporate, and Taxation Law, in the Faculty of Law at

---

[1] *See* T. Leigh Anenson & Gideon Mark, *Inequitable Conduct in Retrospective: Understanding Unclean Hands in Patent Remedies*, 62 Am. U. L. Rev. 1441 (2013); T. Leigh Anenson, *Limiting Legal Remedies: An Analysis of Unclean Hands*, 99 Ky. L.J. 63 (2011); T. Leigh Anenson, *Beyond Chafee: A Process-Based Theory of Unclean Hands*, 47 Am. Bus. L.J. 509 (2010); T. Leigh Anenson & Donald O. Mayer, *"Clean Hands" and the CEO: Equity as an Antidote for Excessive Compensation*, 12 U. Pa. J. Bus. L. 947 (2010); T. Leigh Anenson, *Treating Equity Like Law: A Post-Merger Justification of Unclean Hands*, 45 Am. Bus. L.J. 455 (2008); T. Leigh Anenson, *The Triumph of Equity: Equitable Estoppel in Modern Litigation*, 27 Rev. Litig. 377 (2008); T. Leigh Anenson, *From Theory to Practice: Analyzing Equitable Estoppel under a Pluralistic Model of Law*, 11 Lewis & Clark L. Rev. 633 (2007); T. Leigh Anenson, *The Role of Equity in Employment Noncompetition Cases*, 42 Am. Bus. L.J. 1 (2005).

the University of Sydney, Australia. She is currently studying the application of laches in state and federal cases seeking legal relief (*Discretionary Limits on Statutes of Limitations: A Defense of Laches*) (with Robert J. Aalberts) as well as analyzing Supreme Court decisions on equitable defenses in federal regulation (*Statutory Discretion and Equitable Defenses*). These papers are in the process of being written and are not yet in citable form.

AMICUS CURIAE BRIEF

RECEIVED
AND
FILED

No. 12-1315

IN THE
Supreme Court of the United States

PAULA PETRELLA,

Petitioner,

v.

METRO-GOLDWYN-MAYER, INC., ET AL.,

Respondents.

ON WRIT OF CERTIORARI TO
THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

BRIEF OF THE ASSOCIATION FOR COMPETITIVE TECHNOLOGY AS AMICUS CURIAE IN SUPPORT OF RESPONDENT

John C. O'Quinn
Counsel of Record
Qian Julie Wang
KIRKLAND & ELLIS LLP
655 15th Street, N.W.
Washington, D.C. 20005
(202) 879-5000
john.oquinn@kirkland.com

Counsel for Amicus Curiae

WILSON-EPES PRINTING CO., INC. – (202) 789-0096 – WASHINGTON, D. C. 20002

Library of Congress
Law Library

TABLE OF CONTENTS

Page(s)

INTEREST OF AMICUS CURIAE 1

INTRODUCTION AND SUMMARY OF ARGUMENT 1

ARGUMENT 3

I. For Over A Century, Courts Have Consistently Held That Laches Is Available As A Limitation on Past Damages in Patent Infringement Suits 3

II. Congress Did Not Limit The Availability Of Laches When It Added A Six-Year Limitations Period For Damages In Infringement Actions 5

III. Without The Complementary Doctrine Of Laches, The Six-Year Statute Of Limitations For Patent Infringement Would Be Inadequate To Protect Defendants Against Prejudice That Might Arise From A Plaintiff's Unreasonable Delay. 7

IV. The Federal Circuit's 1992 Decision In *Aukerman*, Which Confirmed The Continuing Availability Of Laches In Patent Infringement Actions, Provides Sound Guidance On This Matter. 9

CONCLUSION 12

TABLE OF AUTHORITIES

Page(s)

Cases

A.C. Aukerman Co. v. R.L. Chaides Constr. Co.,
960 F.2d 1020 (Fed. Cir. 1992) ..... passim

A.C. Aukerman Co. v. R.L. Chaides Constr. Co.,
No. CIV. 88-20704SW, 1993 WL 379548
(N.D. Cal. Sept. 13, 1993) 8

Astoria Fed. Sav. & Loan Ass'n v. Solimino,
501 U.S. 104 (1991) 5, 6, 7

Banker v. Ford Motor Co.,
69 F.2d 665 (3d Cir. 1934) 4

Conn. Nat'l Bank v. Germain,
503 U.S. 249 (1992) 6

Dwight & Lloyd Sintering Co. v. Greenawalt,
27 F.2d 823 (2d Cir. 1928) 4

Gabelli v. SEC,
133 S. Ct. 1216 (2013) 3, 9

Gen. Elec. Co. v. Sciaky Bros.,
304 F.2d 724 (6th Cir. 1962) 4

Hilton v. S.C. Pub. Rys. Comm'n,
502 U.S. 197 (1991) 5

Integrated Tech. Corp. v. Rudolph Techs., Inc.,
734 F.3d 1352 (Fed. Cir. 2013) 4

J.P. Stevens v. Lex Tex Ltd. Inc.,
747 F.2d 1553, 1561 (Fed. Cir. 1984),
cert. denied 474 U.S. 822 (1985) 11

Lane & Bodley Co. v. Locke,
150 U.S. 193 (1893) ..... passim

Mahn v. Harwood,
112 U.S. 354 (1884).....3, 10

Maloney-Crawford Tank Corp. v. Rocky Mtn. Nat. Gas Co.,
494 F.2d 401 (10th Cir. 1974).....4

R.R. Telegraphers v. Ry. Express Agency, Inc.,
321 U.S. 342 (1944).....3, 9

Regan v. Wald,
468 U.S. 222 (1984).....6

Rome Grader & Mach. Corp. v. J.D. Adams Mfg. Co.,
135 F.2d 617 (7th Cir. 1943) 4

Sony Corp. of Am. v. Universal City Studios, Inc.,
464 U.S. 417 (1984).....1, 11

Standard Oil Co. v. Nippon Shokubai Kagaku Kogyo Co., Ltd.,
754 F.2d 345 (Fed. Cir. 1985).....3

United States v. Ryan,
350 U.S. 299 (1956).....6

Whitman v. Walt Disney Prods.,
263 F.2d 229 (9th Cir. 1958) 4

Wollensak v. Reiher,
115 U.S. 96 (1885).....3, 10

Statutes

25 U.S.C. § 640d-17(b).....6

35 U.S.C. § 286 .....2, 7, 8

Other Authorities

P.J. Federico,
Commentary on the New Patent Act (1954),

reprinted in 75 J. Pat. & Trademark Off. Soc'y 161 (1993).....10

INTEREST OF AMICUS CURIAE

The Association for Competitive Technology ("ACT") is an international grassroots advocacy and education organization representing more than 5,000 small and mid-size app developers and information technology firms.* It is the only organization focused on the needs of small business innovators from around the world. ACT advocates for an environment that inspires and rewards innovation while providing resources to help its members leverage their intellectual assets to raise capital, create jobs, and continue innovating. Because patent policy is vitally important to promoting the innovation that has kept the United States at the forefront of software and hardware development, ACT members have a strong stake in the proper functioning of the U.S. patent system.

INTRODUCTION AND SUMMARY OF ARGUMENT

This Court has repeatedly recognized the "historic kinship between patent law and copyright law." *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 439 (1984). Although the two areas are distinct, the availability—indeed the necessity—of laches as an equitable limitation in infringement cases is one of the bonds of that kinship. In both the patent and copyright arenas, laches protects defendants from prejudice caused by plaintiffs' unreasonable delay, above and beyond the effects of a statute of

---

* No counsel for any party authored this brief in whole or in part, and no person or entity, other than the amicus and its counsel, made a monetary contribution intended to fund the preparation or submission of this brief.

limitations. Petitioner's argument, if accepted, poses significant and unwarranted risk to the availability of laches in patent infringement cases.

For more than a century, this Court has held that laches may limit damages in infringement actions if a plaintiff engages in unnecessary delay that prejudices the rights of a defendant. *E.g.*, *Lane & Bodley Co. v. Locke*, 150 U.S. 193, 201 (1893). When Congress amended the Patent Act in 1897 to establish the first statute of limitations for infringement, it was aware of this Court's jurisprudence endorsing laches in the patent context. Yet Congress chose not to disrupt the status quo with respect to laches then and has not done so at any time since. Therefore, this Court's prior decisions affirming the availability of laches as a separate and independent limitation on infringement damages remain good law.

Given that the statute of limitations for patent enforcement resets with every new act of infringement, *see* 35 U.S.C. § 286, the doctrine of laches is the primary source of protection that infringement defendants have against prejudice to their legal position. While a statute of limitations is an "arbitrary limitation on the period for which damages may be awarded on any claim for patent infringement," laches, on the other hand, invokes the discretionary power of the district court to limit the defendant's liability for infringement by reason of the equities between the particular parties." *A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020, 1030 (Fed. Cir. 1992) (en banc). To disturb or cast doubt upon the availability of laches in either the patent context—or the copyright context where a rolling statute of limitations has the same effect—would

risk unfairly exposing infringement defendants to both economic prejudice that arises when a defendant relies on nonenforcement of a patent and evidentiary prejudice that arises when time passes, "evidence has been lost, memories have faded, and witnesses have disappeared." *Gabelli v. SEC*, 133 S. Ct. 1216, 1221 (2013) (quoting *R.R. Telegraphers v. Ry. Express Agency, Inc.*, 321 U.S. 342, 348-49 (1944)).

Finally, amici respectfully submit that the en banc Federal Circuit's 1992 decision in *Aukerman*, 960 F.2d 1020, was correct and provides sound guidance here.

ARGUMENT

I. For Over A Century, Courts Have Consistently Held That Laches Is Available As A Limitation on Past Damages in Patent Infringement Suits.

As early as the nineteenth century, this Court established that laches may be raised to limit the scope of liability for pre-suit patent infringement. *See Lane & Bodley Co. v. Locke*, 150 U.S. 193, 201 (1893); *cf. Wollensak v. Reiher*, 115 U.S. 96, 100 (1885); *Mahn v. Harwood*, 112 U.S. 354, 363 (1884). Throughout the many years since, the courts of appeals have consistently reaffirmed the vitality of laches in the patent context, acknowledging laches as a potential constraint on infringement suits separate and apart from any statute of limitations defense. *See, e.g., Standard Oil Co. v. Nippon Shokubai Kagaku Kogyo Co., Ltd.*, 754 F.2d 345, 348 (Fed. Cir. 1985) ("Therefore, suit could be maintained[,] . . . assum[ing], of course, no other impediment to recovery

or maintenance of the suit such as application of the doctrine of laches."); *Maloney-Crawford Tank Corp. v. Rocky Mtn. Nat. Gas Co.*, 494 F.2d 401, 404 (10th Cir. 1974) ("Where an action is brought within the analogous limitation period, . . . the defendant bears the burden of showing circumstances requiring the application of laches."); *Gen. Elec. Co. v. Sciaky Bros.*, 304 F.2d 724, 727 (6th Cir. 1962) ("In a patent infringement action equitable principles are applied. Equity will not aid those who have slept on their rights. The failure of General Electric to take action over the many years constituted laches."); *Whitman v. Walt Disney Prods.*, 263 F.2d 229, 231 (9th Cir. 1958) ("[I]f the passage of time can be shown to have lulled defendant into a false sense of security, and the defendant acts in reliance thereon, laches may, in the discretion of the trial court, be found."); *Rome Grader & Mach. Corp. v. J.D. Adams Mfg. Co.*, 135 F.2d 617, 619-20 (7th Cir. 1943) ("[P]laintiff is chargeable with the sum total of the laches of itself and of its predecessor."); *Banker v. Ford Motor Co.*, 69 F.2d 665, 666 (3d Cir. 1934) ("[T]hose facts sufficiently showed such lack of diligence on the part of the patentee as to establish laches and estoppel."); *Dwight & Lloyd Sintering Co. v. Greenawalt*, 27 F.2d 823, 827 (2d Cir. 1928) (L. Hand, J.). And as recently as this year, the Federal Circuit once again revisited the issue and once again acknowledged this Court's longstanding patent jurisprudence endorsing laches as a limitation on damages for pre-suit acts of infringement. *See Integrated Tech. Corp. v. Rudolph Techs., Inc.*, 734 F.3d 1352, 1361 (Fed. Cir. 2013) (citing *Aukerman*, 960 F.2d at 1028, in turn citing, *e.g.*, *Lane & Bodley*, 150 U.S. 193).

While courts may, in their sound discretion, disagree as to whether particular facts justify a finding of laches, amici are aware of no federal case holding that laches is *categorically* unavailable in a patent infringement suit seeking monetary damages. Such an extended, consistent line of precedent affirming the availability of laches counsels against modifying the doctrine or calling it into question. *See Hilton v. S.C. Pub. Rys. Comm'n*, 502 U.S. 197, 202 (1991) ("[W]e will not depart from the doctrine of *stare decisis* without some compelling justification.").

II. Congress Did Not Limit The Availability Of Laches When It Added A Six-Year Limitations Period For Damages In Infringement Actions.

When Congress first added a six-year statute of limitations to the Patent Act in 1897, *see A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020, 1030 (Fed. Cir. 1992), the amendment had no effect on this Court's prior decisions regarding laches in the infringement context. It is well settled that "Congress is understood to legislate against a background of common-law adjudicatory principles." *Astoria Fed. Sav. & Loan Ass'n v. Solimino*, 501 U.S. 104, 108 (1991). And "where a common-law principle is well established, . . . the courts may take it as given that Congress has legislated with an expectation that the principle will apply except 'when a statutory purpose to the contrary is evident.'" *Id.* (internal citation omitted). Given this Court's pre-1897 cases recognizing laches as a constraint on damages for pre-suit acts of infringement, *e.g.*, *Lane & Bodley Co. v. Locke*, 150 U.S. 193, 201 (1893), it is clear that laches was part of the "background of common-law

adjudicatory principles" in effect at the time that Congress added the statute of limitations. *Solimino*, 501 U.S. at 108.

Had Congress wished to limit the availability of laches in conjunction with the 1897 amendments, it could easily have done so. *See Conn. Nat'l Bank v. Germain*, 503 U.S. 249, 253-54 (1992) ("We have stated time and again that courts must presume that a legislature says in a statute what it means and means in a statute what it says there."); *Regan v. Wald*, 468 U.S. 222, 236 (1984) (noting that if Congress had wished to address a certain issue in a statute, "it could easily have done so explicitly"); *United States v. Ryan*, 350 U.S. 299, 305 (1956) ("If Congress intended to deal with that problem alone, it could have done so directly."). This is particularly true given that the statute of limitations and the laches doctrine serve different purposes: the former cuts off liability at an arbitrary point in time, while the latter is a discretionary doctrine that considers equitable factors unique to each individual case. *Aukerman*, 960 F.2d at 1030.

Congress has, in several other instances, explicitly barred defendants from raising laches. *See, e.g.*, 25 U.S.C. § 640d-17(b) ("Neither laches nor the statute of limitations shall constitute a defense to any action authorized by this subchapter for existing claims if commenced within two years from [the effective date of this Act]."). However, neither the 1897 amendments—nor any other amendments to the Patent Act—have included such language.

Laches and a statute of limitation work harmoniously, not in tension with each other, and the addition of a statute of limitations did not affect this

Court's longstanding laches jurisprudence. *See Aukerman*, 960 F.2d at 1030-31. While the statute of limitations adds an arbitrary cut-off point for liability, laches remains cognizable as a discretionary, equitable limit on pre-suit damages that looks not at some fixed, predetermined time period but rather at the reasonableness of the delay and whether the defendant has suffered some prejudice from it. *Id.* Given that the two doctrines can happily coexist alongside one another, this Court must assume that Congress enacted the six-year statute of limitations without an intent to displace the "background . . . common-law adjudicatory principle[]" of laches. *See Solimino*, 501 U.S. at 108.

III. Without The Complementary Doctrine Of Laches, The Six-Year Statute Of Limitations For Patent Infringement Would Be Inadequate To Protect Defendants Against Prejudice That Might Arise From A Plaintiff's Unreasonable Delay.

The Patent Act provides that "no recovery shall be had for any infringement committed more than six years prior to the filing of the complaint or counterclaim for infringement in the action." 35 U.S.C. § 286. As Respondents note, in the copyright context, a similar "rolling statute of limitations allows the plaintiff to delay bringing an action indefinitely so long as the defendant continues to engage in the allegedly infringing conduct." Resp't. Br. 32. Notwithstanding the fact that the validity of an infringement claim may turn upon evidence that exists at the moment of the initial infringing action, the statute of limitations permits a plaintiff to bring suit decades after that initial action, so long as the defendant con-

tinues to infringe. *See id.* Without laches, the limitations period imposes no penalty on the patentee who sits idly by while a defendant detrimentally relies on nonenforcement.

Hence, in patent cases—just as in copyright cases—laches plays a different role than does the statute of limitations. The limitations period constrains the amount of time for which a plaintiff may recover damages, but it does not force the plaintiff to bring suit promptly after the infringing conduct begins or before the defendant detrimentally relies on nonenforcement. *See* 35 U.S.C. § 286. Laches, on the other hand, provides effective pre-suit protection against both (1) economic prejudice by a patent (or copyright) holder who allows a defendant to detrimentally rely on nonenforcement and then brings suit on the outer boundary of the statute of limitations in an attempt to coerce a settlement, and (2) evidentiary prejudice by a patent (or copyright) holder who chooses to wait decades after allegedly infringing conduct began before bringing an infringement suit.

Such prospects for prejudice are more than fanciful hypotheticals. Extended delays between initial infringement and the filing of an infringement suit are not uncommon, particularly when the initial infringement is *de minimis* or appears unprofitable but later expands or becomes more lucrative. *See, e.g.*, *A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, No. CIV. 88-20704SW, 1993 WL 379548, at *2 (N.D. Cal. Sept. 13, 1993) (involving plaintiff who initially believed defendant engaged in "$200-300 per year de minimis infringement and pursued others who were guilty of more significant infringement" but later recovered over $3 million in damages after defendant's

infringing activity expanded and became more profitable).

The doctrine of laches is essential, particularly in the patent and copyright contexts, "to promote justice by preventing surprises through the revival of claims that have been allowed to slumber." *R.R. Telegraphers v. Ry. Express Agency*, 321 U.S. 342, 248-49 (1944). Without laches, there is little to prevent a patentee from sleeping on enforcement rights and bringing an infringement suit for damages only after either the defendant has relied on nonenforcement to his detriment or "evidence has been lost, memories have faded, and witnesses have disappeared." *Gabelli v. SEC*, 133 S. Ct. 1216, 1221 (2013) (quoting *R.R. Telegraphers*, 321 U.S. at 348-49).

IV. The Federal Circuit's 1992 Decision In *Aukerman*, Which Confirmed The Continuing Availability Of Laches In Patent Infringement Actions, Provides Sound Guidance On This Matter.

In 1992, the *en banc* Federal Circuit addressed the continued viability of laches as a limit on liability in patent infringement cases. *A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020, 1028-32 (Fed. Cir. 1992) (en banc). Relying on its own consistent and lengthy precedent, *see id.* at 1032 & n.11 (collecting cases), as well as precedent from this Court, *id.* at 1028 (citing, *e.g.*, *Lane & Bodley Co. v. Locke*, 150 U.S. 193 (1893)), the Federal Circuit concluded that "laches is available as a defense to a suit for patent infringement" that bars a claim for pre-suit damages, notwithstanding the six-year statute of limitations for infringement suits that Congress enacted in 1897. *Id.* at 1032.

The *Aukerman* court began by properly applying this Court's longstanding precedent governing the issue, explaining: "The Supreme Court has long recognized the defense of laches to a patent infringement action brought in equity. . . . Extended to suits at law as well, laches became part of the general body of rules governing relief in the federal court system." *Id.* at 1028-29 (citing *Lane & Bodley*, 150 U.S. 193; *Wollensak v. Reiher*, 115 U.S. 96 (1885); *Mahn v. Harwood*, 112 U.S. 354 (1884)) (internal citations and quotation marks omitted).

The Federal Circuit then looked at the issue "afresh" and reviewed "commentary of one of the drafters of the [1952] revised patent statute" to determine whether the 1952 revision—or any other prior amendment—had precluded defendants from raising laches when responding to infringement suits. *Id.* at 1029-30. In discussing Section 282 of the Patent Act, the then-U.S. Patent Office Examiner-in-Chief and drafter of the 1952 statutory revisions stated:

> The defenses which may be raised in an action involving the validity of infringement of a patent are[:] . . . 'Noninfringement, absence of liability for infringement, or unenforceability' [35 U.S.C. § 282][;] . . . this would include . . . equitable defenses such as laches, estoppel and unclean hands.

P.J. Federico, *Commentary on the New Patent Act* (1954), *reprinted in* 75 J. Pat. & Trademark Off. Soc'y 161, 215 (1993). This commentary provides additional justification for the court's holding.

Finally, the *Aukerman* Court concluded that it had "no difficulty" in reading the six-year statute of limitations "harmoniously" with the availability of a

laches as a limit on liability because a statute of limitations is an "*arbitrary* limitation on the period for which damages may be awarded on any claim for patent infringement" while "[l]aches, on the other hand, invokes the *discretionary* power of the district court to limit the defendant's liability for infringement by reason of the equities between the particular parties." *Aukerman*, 960 F.2d at 1030 (quoting *J.P. Stevens v. Lex Tex Ltd. Inc.*, 747 F.2d 1553, 1561 (Fed. Cir. 1984), *cert. denied* 474 U.S. 822 (1985)). The court concluded that an "equitable defense" under Section 282 of the Patent Act and the statute of limitations under Section 286 "do not conflict." *Id.* at 1030-31. Such a conclusion is sound, particularly in light of the different functions of laches and the statute of limitations in the patent context.

Doubtless recognizing the "third rail" nature of these patent arguments, Petitioner tries to avoid them, but she should not be permitted to. Her argument, if accepted, poses significant and unwarranted risk to the availability of laches in patent infringement cases, given the "historic kinship between patent law and copyright law," *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 439 (1984), and the parallel, rolling statutes of limitation in both areas. In light of the lengthy and remarkably consistent line of precedent holding that laches is available as a limitation on damages in patent infringement suits, *see supra* Part I, this Court should affirm the decision below and decline to inject uncertainty into what has until now been a settled and predictable segment of patent law.

CONCLUSION

For the foregoing reasons, the judgment of the Court of Appeals should be affirmed.

Respectfully submitted,

John C. O'Quinn
Counsel of Record
Qian Julie Wang
KIRKLAND & ELLIS LLP
655 15th Street, N.W.
Washington, D.C. 20005
(202) 879-5191
john.oquinn@kirkland.com

December 23, 2013

AMICUS CURIAE BRIEF

RECORD
AND
BRIEFS

No. 12-1315

In The
Supreme Court of the United States

PAULA PETRELLA,

Petitioner,

v.

METRO-GOLDWYN-MAYER, INC., *et al.*,

Respondents.

On Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

BRIEF OF THE AUTHORS GUILD, INC.; AMERICAN SOCIETY OF MEDIA PHOTOGRAPHERS, INC.; AMERICAN PHOTOGRAPHIC ARTISTS; GRAPHIC ARTISTS GUILD; NORTH AMERICAN NATURE PHOTOGRAPHY ASSOCIATION; NATIONAL PRESS PHOTOGRAPHERS ASSOCIATION; THE PICTURE ARCHIVE COUNCIL OF AMERICA, INC.; SONGWRITERS' GUILD OF AMERICA, INC. AS *AMICI CURIAE* IN SUPPORT OF PETITIONERS

CHRISTOPHER A. MOHR
Counsel of Record
MEYER, KLIPPER & MOHR, PLLC
923 15th Street, NW
Washington, DC 20005
(202) 637-0850
chrismohr@mkmdc.com
Counsel for Amici Curiae

Library of Congress
Law Library

TABLE OF CONTENTS

Table of Contents i

Table of Authorities iii

Interest of the *Amici* 1

Summary of Argument 4

Argument 6

I. The Presence of a Statute of Limitations Precludes Reliance on the Laches Doctrine as a Matter of Law. 6

A. The Text of the Copyright Act Prohibits the Imposition of Laches During the Limitations Period. 7

1. Congress's Use of Standard Accrual Language Forecloses Reliance on a Laches Defense. 8

II. The Presence of a Statute of Limitations Destroys the Policy Reasons that Undergird the Existence of a Laches Defense 10

A. The Three-Year Statute of Limitations Defines "Reasonable" Delay. 11

B. The Separate Accrual Rule Limits the Legitimate Expectations of Those Who Use Works Without Permission. 14

C. The Copyright Act Contains Provisions Designed to Minimize

Evidentiary Prejudice By Placing Special Weight on the Documents Associated with Assertion of the Right 16

III. Equitable Considerations are an Appropriate Means for Tailoring Injunctive Relief. 21

IV. Conclusion 22

TABLE OF AUTHORITIES

Cases

Am. Geophysical Union v. *Texaco Inc.*,
802 F. Supp. 1 (S.D.N.Y. 1992),
aff'd, 60 F.3d 913 (2d Cir. 1994) 10

Beidleman v. Random House, Inc.,
621 F. Supp. 2d 1130 (D. Colo. 2008)..... 9

Campbell v. Acuff-Rose Music, Inc.,
510 U.S. 569 (1994) 21

Crown Coat Front Co. v. United States,
386 U.S. 503 (1967) 9

eBay, Inc. v. MercExchange, L.L.C.,
547 U.S. 388 (2006) 21

Eldred v. Ashcroft,
537 U.S. 186 (2003) 6

Elvis Presley Enters. v. Passport Video,
357 F.3d 896 (9th Cir. 2004) 21

Fox Film Court v. Doyal,
286 U.S. 123 (1932) 22

Gabelli v. Sec. & Exch. Comm'n,
133 S. Ct. 1216 (2013) 8, 9

Harper & Row, Publishers v. Nation Enters.,
471 U.S. 539 (1985) 6

Holmberg v. Armbrecht,
327 U.S. 392 (1946) 8, 21

Lyons P'ship v. Morris Costumes, Inc.,
243 F.3d 789 (4th Cir. 2001) 8

Miller Music Corp. v. Charles N. Daniels, Inc.,
362 U.S. 373 (1960) 17, 19

New York Times Co. v. Tasini,
533 U.S. 483 (2001) 21

Reiter v. Cooper,
507 U.S. 258 (1993) 9

Rohauer v. Killiam Shows, Inc.,
551 F.2d 484 (2d Cir. 1977) 17

Stewart v. Abend,
495 U.S. 207 (1989) ..... *passim*

Taylor v. Meirick,
712 F.2d 1112 (7th Cir. 1983) 9

United States v. Lindsay,
346 U.S. 568 (1954) 8

United States v. Mack,
295 U.S. 480 (1935) 8

Statutes

17 U.S.C. § 104A(d)(3)(A) 21

17 U.S.C. § 203(a)(4)(A) 19

17 U.S.C. § 203(b)(1) 20

17 U.S.C. § 204 18

17 U.S.C. § 205 18

17 U.S.C. § 304(a)(4)(B) 18

17 U.S.C. § 304(c) 20

17 U.S.C. § 410 18

17 U.S.C. § 412 13

17 U.S.C. § 501(a) 7

17 U.S.C. § 501(b) 7

17 U.S.C. § 502(a) 21

17 U.S.C. § 507(b) 7, 8, 15

17 U.S.C. § 701(c) 18

17 U.S.C. § 705 18

17 U.S.C. § 707(a) 18

Copyright Act of 1909, Pub. L. No. 60-349 (1909) (as amended) 15, 19

Legislative Materials

Copyrights-Statute of Limitations: Hearings on H.R. 781 Before the Subcomm. No. 3 of the House Comm. on the Judiciary, 84th Cong. 48 (1955) 12, 15

H.R. Rep. No. 84-2419 (1956) 15

H.R. Rep. No. 94-1476 (1976) 20

S. Rep. No. 85-1014 (1957) 9, 15

Other Authorities

11A Charles Alan Wright et al., *Federal Practice and Procedure* § 2946 (2d ed. 1995) 11, 14, 16

3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* (2012) 9, 16, 19, 21

Am. Intellectual Prop. Law Assoc., *Report of the Economic Survey 2011* (2011) 12

Comments of Am. Soc'y of Media Photographers (Jan. 16, 2012), http://www.copyright.gov/docs/smallclaims/comments/04_asmp.pdf 13

Comments of Authors Guild, http://www.copyright.gov/docs/smallclaims/comments/08_authors_guild.pdf 13

Comments of Graphic Artists Guild (Jan. 16, 2012), http://www.copyright.gov/docs/smallclaims/comments/23_graphic_artists_guild.pdf 14

Comments of Nat'l Press Photographers Ass'n (Jan. 16, 2012), http://www.copyright.gov/docs/smallclaims/comments/36_nppa.pdf 13, 14

Nate Anderson, *New Register of Copyrights: "Unfortunately, I Start with Enforcement,"* Ars Technica (July 13, 2011), http://arstechnica.com/tech-policy/2011/07/new-register-of-copyrights-unfortunately-i-start-with-enforcement/ 6

The Federalist No. 43 (James Madison) (Cooke ed., 1961) 10

U.S. Copyright Office, *Report on Small Claims* (2013) 13

William Quinby de Funiak, *Handbook of Modern Equity* § 24 (2d ed. 1956) 11

INTEREST OF THE *AMICI*[1]

Amici are associations of individual songwriters, cartoonists, illustrators, authors, and photographers who rely on the royalty streams from the licensing of their copyrighted works for their livings. They have fought to: procure satisfactory domestic and international copyright protection; secure fair payment of royalties, license fees and non-monetary compensation for authors' work; and annually help hundreds of members negotiate and enforce the publishing agreements that earn their members a living, whether the work is "mainstream" or "academic."

The *amici* are as follows:

- **The Authors Guild, Inc.** ("Guild"), founded in 1912, is a national non-profit association of almost 8,500 professional, published journalists, historians, biographers, and other writers of nonfiction and fiction. Guild members have won Pulitzer and Nobel Prizes, National Book Awards, and many other accolades. The Guild works to promote the professional interests of authors in various areas, including copyright, freedom of expression and taxation.

---

[1] The parties have lodged blanket consent to the filing of *amicus* briefs with the Clerk. No counsel for a party wrote this brief in whole or in part and neither a party nor counsel for a party has made a monetary contribution intended to fund its submission.

- **American Society of Media Photographers, Inc.** represents professional publication-based photographers, and is the oldest and largest organization of its kind in the world. Its roughly 7,000 members include all manner of professional photographers whose works appear in books, magazines, newspapers, web uses, corporate reports, publicity, and advertising.

- Since 1982, **American Photographic Artists** ("APA") has dedicated itself to the photographic community's creative and professional well-being, and its members include world leaders in the field of photography. It represents the interests of individual photographers throughout the United States and overseas. APA actively encourages the establishment of clarity, transparency, stability, cooperation, and fairness in copyright transactions, and is strongly opposed to the establishment of copyright policies that weaken the rights of authors.

- The **Graphic Artists Guild** represents the interests of individual illustrators, designers, web creators, production artists, cartoonists, surface designers and other graphic creators in judicial and legislative fora. Copyright protection of creative works and their authors' rights is particularly important to the Guild, as those rights enable its members to support themselves and to create new works for the benefit of the public.

- **North American Nature Photography Association** is the leading association for those involved with nature photography. Its approximately 2,500 members include photographers, editors, publishers and picture archive proprietors who use nature photography as a medium of communication, nature appreciation, and environmental protection.

- The **National Press Photographers Association** ("NPPA") is a 501(c)(6) non-profit organization dedicated to the advancement of visual journalism in its creation, editing and distribution. NPPA's approximately 7,000 members include television and still photographers, editors, students and representatives of businesses that serve the visual journalism industry. Since its founding in 1946, the NPPA has vigorously promoted and defended the rights of photographers and journalists, including copyright and freedom of the press in all its forms, especially as it relates to visual journalism.

- **The Picture Archive Council of America** (PACA) has developed business standards, promoted ethical business practices and actively advocated copyright protection on behalf of its members for over 60 years. Established in 1951 by a group of stock photo agencies, its membership has evolved to include over 100 companies involved in digital content licensing. Although technology has changed, PACA has retained its focus on protecting the rights of creators and those representing their work.

- **The Songwriters' Guild of America, Inc.** ("SGA") is the nation's oldest and largest organization run exclusively by and for songwriters, with more than five thousand members nationwide and over eighty years of advocacy experience concerning the rights of music creators, songwriters, and their heirs. SGA's activities on behalf of all U.S. songwriters include advocacy before the U.S. Congress to obtain favorable legislation for music creators and heirs, and participation as a party or as amicus curiae in litigation of significance to the creators of the American canon of popular music.

SUMMARY OF ARGUMENT

The Copyright Act contains a three-year statute of limitations that permits plaintiffs to bring infringement suits for three years after the claim accrued. The text of the Copyright Act sets forth a straightforward way of calculating the availability of repose: so long as the copyright subsists, infringements occurring within the three-year period are actionable, and those outside that period are not. Despite the existence of a statute of limitations, the Ninth Circuit decided that laches can bar a suit brought *within* the statutory period. The Ninth Circuit's ruling is wrong.

Laches is a judge-made equitable defense that can excuse a defendant's liability if the plaintiff negligently delayed in bringing a suit and that delay prejudiced the defendant either by causing him to engage in otherwise prohibited activity or by harming his ability to present evidence in his

defense. A statute of limitations forecloses the laches defense because it evinces the legislature's balancing of policy interests within a particular statutory scheme. The policy of the Copyright Act is to ensure that authors have an incentive to create works by compensating them, a policy balanced against societal interests in calming disputes. Here, Congress defined a "reasonable" litigation delay by creating the three-year statute of limitations period. Moreover, Congress prevented potential defendants from being misled into thinking that their uses are statutorily permissible.

In addition, the Copyright Act contains provisions designed to deal with the reality that evidence of certain facts will deteriorate with the passage of time. The concern about evidentiary prejudice has little weight in a statute that Congress designed to last long after the author's death, and provided documentary mechanisms designed to quiet title. Moreover, the Ninth Circuit's extra-textual approach poses a threat to other provisions that enable individual authors to recapture lost rights.

Equity has a role to play in the arena of copyright litigation, but not the one that the Ninth Circuit's opinion suggests. The plaintiff's delay can certainly be taken into account at the remedial stage, during which the court can balance the hardships of issuing an injunction, the injury to the plaintiff, and the public interest.

ARGUMENT

I. THE PRESENCE OF A STATUTE OF LIMITATIONS PRECLUDES RELIANCE ON THE LACHES DOCTRINE AS A MATTER OF LAW.

Amici represent the perspective of individual authors and heirs, "for whom copyright is supposed to provide a signal that we are a nation that believes in culture and creativity so much that we're going to provide an atmosphere where you can devote your life to that kind of activity."[2] *See also, e.g., Eldred v. Ashcroft*, 537 U.S. 186, 212 n.18 (2003) (noting importance of profit motive to the advancement of knowledge); *Harper & Row, Publishers v. Nation Enters.*, 471 U.S. 539, 558 (1985) (describing copyright as the economic engine of protected expression). They write in this case because the lower court incorrectly ignored the express instructions of Congress in the statutory text of the Copyright Act in a manner that threatens *amici's* ability to enforce their exclusive rights.

Congress provided that an individual must bring each claim within three years of its accrual or

---

[2] Nate Anderson, *New Register of Copyrights: "Unfortunately, I Start with Enforcement,"* Ars Technica (July 13, 2011) (Interview with Maria Pallante, Register of Copyrights), http://arstechnica.com/tech-policy/2011/07/new-register-of-copyrights-unfortunately-i-start-with-enforcement/

be barred from recovery for that specific claim. *See* 17 U.S.C. § 507(b). Notwithstanding these instructions, the Ninth Circuit affirmed the trial court's decision that laches can bar a claim brought *within* the three-year statute of limitations period, effectively expropriating the exclusive rights of the author's heir under *Stewart v. Abend*, 495 U.S. 207, 220-21 (1989); Pet. App. at 18a. The Ninth Circuit's equitable "balancing" improperly supplanted express legislative policy judgments.

A. The Text of the Copyright Act Prohibits the Imposition of Laches During the Limitations Period.

The Copyright Act creates a procedure for filing claims that leaves no room for the Ninth Circuit's construction. The statutory text provides that infringement occurs when "anyone" violates the exclusive rights of the author or the copyright owner, "as the case may be." 17 U.S.C. § 501(a). The copyright owner, in turn, may institute an action for "any infringement of that particular right committed while he or she is the owner of it." 17 U.S.C. § 501(b). Once that infringement occurs, the Act's structure requires that a "civil action" be "commenced within three years after the claim accrued." 17 U.S.C. § 507(b). This language notwithstanding, the Ninth Circuit found that the trial court did not abuse its discretion in applying a laches defense to a claim brought within that three-year period. Pet. App. at 18a.

1. Congress's Use of Standard Accrual Language Forecloses Reliance on a Laches Defense.

The Ninth Circuit's rule finds no support in this Court's precedent or the Copyright Act's statute of limitations. "Laches within the term of the statute of limitations is no defense at law." *United States v. Mack*, 295 U.S. 480, 489 (1935). "If Congress explicitly puts a limit upon the time for enforcing a right which it created, there is an end of the matter. The Congressional statute of limitation is definitive." *Holmberg v. Armbrecht*, 327 U.S. 392, 395 (1946); *see also Lyons P'ship v. Morris Costumes, Inc.*, 243 F.3d 789, 798 (4th Cir. 2001) (noting that "a court should not apply laches to overrule the legislature's judgment as to the appropriate time limit" and that "Separation of powers principles" bar application of laches to a timely claim).

The Copyright Act's statute of limitations requires that an infringement case must be brought within three years of when each claim "accrued." 17 U.S.C. § 507(b). Accrual, in turn, has a well-established ordinary meaning: "In common parlance a right accrues when it comes into existence . . . ." *United States v. Lindsay*, 346 U.S. 568, 569 (1954). Consistent with that "standard rule," a claim accrues "when the plaintiff has a complete and present cause of action." *Gabelli v. Sec. & Exch. Comm'n*, 133 S. Ct. 1216, 1217 (2013) (internal quotations omitted);

see also Crown Coat Front Co. v. United States, 386 U.S. 503, 507 (1967); *Reiter v. Cooper*, 507 U.S. 258, 263 (1993).[3] The "most natural reading" of an Act's accrual language, *Gabellli*, 133 S. Ct. at 1217, therefore, is that when "infringement occurred within three years prior to filing, the action will not be barred even if prior infringements by the same party as to the same work are barred because they occurred more than three years previously." 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 12.05[B][1][b] (2012) [hereinafter Nimmer] (collecting cases).

This result flows naturally from the purpose of the statute: "copyright law *celebrates* the profit

---

[3] *Amici* note that Congress encouraged the courts to use the traditional notions of equity for tolling the statute of limitations, notably in situations involving fraudulent concealment. S. Rep. No. 85-1014, at 3 (1957) (quoting H. Rep. No. 85-150) ("Equitable considerations are available to prolong the time for bringing suit . . . ."); *see Taylor v. Meirick*, 712 F.2d 1112, 1118 (7th Cir. 1983); *see also* 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 12.05[B][3] (2012) ("lulling the plaintiff into inactivity" could estop a defendant from asserting the statute of limitations defense). For *amici*'s members who are frequently beneficial owners of copyright and rely on publishers or other intermediaries to honor the scope of licenses, such concepts are critically important. When this position of trust is violated, it should be viewed as a form of constructive fraud. *Cf. Beidleman v. Random House, Inc.*, 621 F. Supp. 2d 1130, 1133 (D. Colo. 2008). Such equity doctrines, however, serve only to extend the limitations period, not to shorten it.

motive, recognizing that the incentive to profit from the exploitation of copyrights will redound to the public benefit by resulting in the proliferation of knowledge.... The profit motive is the engine that ensures the progress of science." *Am. Geophysical Union* v. *Texaco Inc.*, 802 F. Supp. 1, 27 (S.D.N.Y. 1992) (emphasis added), *aff'd*, 60 F.3d 913 (2d Cir. 1994). The presence of the rolling three-year period reflects a balance of competing interests: that of compensating authors for their work and advancing science on the one hand, and that of the calming of disputes on the other. The rolling period prohibits infringers from receiving a windfall after a long period of unauthorized exploitation, thereby preserving the incentive to create. *Amici* therefore submit that when suits are brought within the limitations period, "[t]he public good fully coincides in both cases with the claims of individuals." The Federalist No. 43, at 288 (James Madison) (Cooke ed., 1961).

II. THE PRESENCE OF A STATUTE OF LIMITATIONS DESTROYS THE POLICY REASONS THAT UNDERGIRD THE EXISTENCE OF A LACHES DEFENSE.

Not only does such a result flow naturally from the words Congress chose, the language of the statute naturally destroys the rationale for the availability of a laches defense.

> Laches does not result from a mere lapse of time, but from that fact that ... [b]y his negligent delay, the plaintiff may have *misled* the defendant or

> others into acting on the assumption that the plaintiff has abandoned his claim, or that he acquiesces in the situation, or that changed circumstances may make it more difficult to defend against the claim.

11A Charles Alan Wright et al., *Federal Practice and Procedure* § 2946, at 117 (2d ed. 1995) (emphasis supplied) (quoting William Quinby de Funiak, *Handbook of Modern Equity* § 24, at 41 (2d Ed. 1956)). The existence of a statute, and the structure of the Copyright Act, eliminates all of these elements.

A. The Three-Year Statute of Limitations Defines "Reasonable" Delay.

The lower court incorrectly balanced factors already taken into account by the passage of section 507. In its view, the petitioners' delay was unreasonable because the evidence suggested that rather than having difficulty raising the money to hire counsel, petitioner was merely waiting to capitalize on the defendant's investment in the picture. Pet. App. at 9a-10a.

For claims brought within the statutory window, such concerns are entirely irrelevant. The creation of the three-year accrual period tells both the plaintiff—and the defendant—what a "reasonable" delay entails: those claims that have accrued more than three years prior to the commencement of a suit. Petitioner's prosecution of

her claim in this case might seem less than zealous, but the statute has already exacted a price for that inactivity: she cannot claim damages for all 18 years of alleged infringement: only the most recent 3 are within a "reasonable" delay. Given the three-year window that applies to both sides, the question of "unreasonable" delay is one that Congress has considered and settled—with the unequivocal endorsement of the Respondent's storied industry association. *See Copyrights-Statute of Limitations: Hearings on H.R. 781 Before the Subcomm. No. 3 of the House Comm. on the Judiciary*, 84th Cong. 48 (1955) [hereinafter *Hearings*] (Statement of Mr. Brylawski, representative of the American Motion Picture Association) ("Every performance of every moving picture is a separate infringement – if they occurred three years ago. That would be barred in three years. But the next time they showed it a new infringement occurred which would be actionable."); *see also id.* at 49 ("we welcome the [three-year] period").

Moreover, the Ninth Circuit's *ad hoc* consideration of such concerns within the three-year window poses a special threat to individual authors who face serious practical bars to enforcement. The average cost to litigate a copyright claim worth less than one million dollars through appeal is roughly $350,000. Am. Intellectual Prop. Law Assoc., *Report of the Economic Survey 2011* at 35 (2011) [hereinafter *AIPLA Report*]. As the Copyright Office recently noted, those costs "are not only completely disproportionate to what most individuals could invest in a lawsuit, but also to what a copyright claimant could ever hope to recover in a relatively

modest infringement case." U.S. Copyright Office, *Report on Small Claims* at 3 (2013) (citing *AIPLA Report*); *see generally* Comments of Am. Soc'y of Media Photographers (Jan. 16, 2012) (listing reasons why these infringement claims are unremedied), http://www.copyright.gov/docs/smallclaims/comments/04_asmp.pdf; Comments of Authors Guild at 2-3 (over half of the Guild's members supporting establishment of a small claims court), http://www.copyright.gov/docs/smallclaims/comments/08_authors_guild.pdf (last visited Nov. 19, 2013).

That problem is especially acute in the internet arena, and some publishers simply weigh the use of an image against the chances of getting caught. Comments of Nat'l Press Photographers Ass'n at 2 (Jan. 16, 2012), http://www.copyright.gov/docs/smallclaims/comments/36_nppa.pdf. Sites such as Scrib'd (www.scribd.com), Pinterest (www.pinterest.com) and Facebook (www.facebook.com) are replete with images taken and used without the author's consent, and it will never be practical to seek a remedy even if the author knows the identity of the individual infringer. The availability of statutory damages and attorney's fees under 17 U.S.C. § 412, while extremely important to obtaining redress, do not overcome *amici*'s practical obstacles to enforcement.

Thus, in those rare cases where an individual author *does* sue, her expectation of recovery cannot be an equitable bar to bringing the infringement claim within the limitations period. Bringing suit when the infringer stands to make a profit is not only what makes the lawsuit viable and

"reasonable," it is an economic necessity.[4] The practicalities and expense of copyright enforcement create the reality that the line between "financing litigation" and "profit" will be impossible to know in many instances *ex ante*.

B. The Separate Accrual Rule Limits the Legitimate Expectations of Those Who Use Works Without Permission.

Second, the three-year term represents a congressional judgment over the proper scope of what the lower court characterized as "expectations-based prejudice," Pet. App. 12a,—namely, that the plaintiff took actions or suffered consequences that it would not have on the grounds that it was "misled." *See* Wright, *supra*, § 2946, at 117. The lower court found such prejudice based on the fact that Respondents had entered into a variety of business dealings with the belief that it owned rights to the *Raging Bull* screenplay, and that it was entitled to the expectation that it owned the copyright given the plaintiff's delay. Pet. App. at 17a.

The express separate accrual of individual claims under section 507 prevents defendants from undergoing constructive bamboozlement by virtue of

---

[4] *See* Comments of Graphic Artists Guild at 3-4 (Jan. 16, 2012), http://www.copyright.gov/docs/smallclaims/comments/23_graphic_artists_guild.pdf; Comments of Nat'l Press Photographers Ass'n, *supra*, at 7.

a plaintiff's delay. When it amended the Copyright Act to add the limitations period, Congress was well aware that the adoption of an accrual rule would create risk for defendants engaged in exactly this kind of activity. It distinguished the kind of statute it adopted in the Copyright Act from others that served to bar the plaintiff's right to sue permanently. S. Rep. No. 85-1014, at 3 (1957) (noting that the legislation was intended only to extinguish the remedy available for an instance of infringement, not the copyright itself); H.R. Rep. No. 84-2419, at 2 (1956) (same). Notwithstanding the well-established nature of the separate accrual rule, *see Hearings*, *supra*, at 48, the lawful renewal of the copyright in the 1963 screenplay, and the earlier infringement claims by the petitioner, Respondents continued to exploit *Raging Bull* with its eyes wide open. They took that risk notwithstanding the conflict between their current contentions and the presumptive validity of the facts contained in the registration certificate and the other subject works. *See* Pet. Br. at 13-14; Copyright Act of 1909, Pub. L. No. 60-349, §§ 209-10 (1909) (as amended).

Amici therefore have little sympathy for Respondents, especially given the disparity in bargaining power and resources that typically exists between an individual author looking to license a work and the intermediary looking to purchase it. Respondents certainly are entitled to a trial, and may be (though are probably not) right about the merits, but the language of the statute insulates them from the kinds of indirect deception that typically warrant application of the laches defense. *See* 17 U.S.C. § 507(b) (only restricting civil actions

to claims brought within three years of accrual). *Compare* Wright, *supra*, § 2946, at 117 (describing inequitable changed circumstances resulting from a plaintiff's negligent delay), *with* Nimmer, *supra*, § 12.06[B][3] (stating that "a false sense of security" does not give rise to laches). Congress has already balanced the Respondents' interests in their expectations, and told them when their liability begins and ends. They undertook the use of the work at their peril. *See* JA 128 ("When the Supreme Court case of *Stewart v. Abend* was decided, we reviewed the status of "Raging Bull" and we concluded that your clients did not have a claim under that case.").

C. The Copyright Act Contains Provisions Designed to Minimize Evidentiary Prejudice By Placing Special Weight on the Documents Associated with Assertion of the Right.

Third, the structure of the Copyright Act makes irrelevant the presence of "changed circumstances," Wright, *supra*, § 2946, at 117, that the District Court described as "evidentiary prejudice" to deny the author's heir her claim. Pet. App. at 45a-46a.[5] The District Court relied on such prejudice and granted judgment to the defendant

---

[5] The Ninth Circuit declined to address so-called "evidentiary prejudice" resulting from the passage of time and loss of witnesses. Pet. App. at 12a.

with respect to both damages and injunctions, and dismissed the claim. *Id.* at 45a-46a (noting that certain of Respondents' defense witnesses are unable to remember relevant details of the work's creation due to death or disability).

The District Court's holding poses a particular danger to the revenue streams of individual authors' heirs, who must rely on documentary evidence to establish their entitlement to the revenue stream that Congress sought to protect for them. *Abend* holds that if an author dies before the renewal interest vests, the heir can renew the copyright in her name, and makers of derivative works under the old registration must receive a license for subsequent use. *Abend*, 495 U.S. at 220-21. The doctrine, however, only applies if the best witness regarding creation is dead: the right passes only to his successors. *See id.* at 215 (quoting *Miller Music Corp. v. Charles N. Daniels, Inc.*, 362 U.S. 373, 378 (1960)) ("An assignee of the renewal rights takes only an expectancy ... 'Like all purchasers of contingent interests, he takes subject to the possibility that the contingency may never occur'"). The *Abend* Court expressly rejected the judgment of an appellate court determining that the heir's right to a renewal term was "necessitated by a balancing of the equities" because Congress had performed any needed balancing in the statute itself. *Abend*, 495 U.S. at 222, 227 (rejecting *Rohauer v. Killiam Shows, Inc.*, 551 F.2d 484 (2d Cir. 1977)).

Amici submit that the lower court committed the same sin when it substituted its own judgment regarding the equities of this case for that of the

legislature, and divested the Petitioner of her exclusive rights. *See* Pet. App. 45a-46a. The term of copyright is long, and the death of an author is a recognized and expressly accounted-for part of the copyright system. The Copyright Act (including its statute of limitations) reflects considered Congressional judgments regarding the consequences of an author's death. For this reason, the act puts a special emphasis on documentary evidence. *See, e.g.*, 17 U.S.C. § 304(a)(4)(B) (providing presumption of facts in renewal certificate when filed within certain time frame); 17 U.S.C. § 410 (presumption of validity of facts in registration when filed within five years of publication); 17 U.S.C. § 204 (requiring transfers of copyrights to be in writing and stating that acknowledgement is prima facie evidence that the transfer occurred); 17 U.S.C. § 205 (creating rules for handling conflicting claims of ownership depending on when the recordations of such transfers are filed); 17 U.S.C. § 701(c) (requiring copyright office to create seal to authenticate certified documents such as registrations); 17 U.S.C. § 705 (requiring the copyright office to maintain searchable records and indexes open to public inspection); 17 U.S.C. § 707(a) (requiring publication of a catalog of all copyright registrations). As time passes, the facts in such documents will become both the best and conclusive evidence of ownership.

The effect of these rules puts a premium on the due diligence of the grantee at the time it contracts for the right, and to make sure that the instruments it uses properly acquire the precise rights it wishes to own. Under the Act of 1909,

which applied to the work at issue in this case, the registration certificate granted the registrant a presumption that the facts in the certificate were true. Copyright Act of 1909 §§ 209-10; *see* Nimmer, *supra*, § 12.11[C] (describing nature of registration presumptions). Similarly, the nature of a renewal term as an expectancy was also well established. *See Miller Music*, 362 U.S. at 378. The documents in this case utterly contradicted Respondent's assertions, yet it did nothing to perfect its alleged interest. *See* Pet. Br. at 10-11 (describing conflicts between registration, deposited documents, and Respondent's contentions). In such circumstances, the documents will speak for themselves when the author cannot. That rule is particularly apt when a grantee is, as here, attempting to challenge the income stream that *Abend* protects.

Indeed, the problem with the Ninth Circuit's extra-textual approach is that it reaches far beyond *Abend* to potentially affect the rights of authors in other contexts.[6] Many of *amici's* members rely or will soon rely on their much broader rights to terminate transfers under section 203 of the Copyright Act of 1976. *See* 17 U.S.C. § 203(a)(4)(A) (giving authors a five-year window to terminate

---

[6] Because of the peculiarities of renewal registrations, the *Abend* rule applies in a relatively narrow situation under the 1909 Act. Specifically, the work cannot have been for hire, must be created under the 1909 Act, and the author must die before the renewal term vests. *See generally* Nimmer, *supra*, § 9.06[D].

transfers of copyright beginning thirty-five years from the original grant); *see also* 17 U.S.C. § 304(c) (describing termination rights in certain renewal terms).[7] Suppose, for example, the author of a popular 1979 musical lawfully registers a work in her name, assigns that work in writing to a theatrical production company, and later terminates the transfer late in the fourth year of the five-year window. She then sues the production company for continuing to make performances. Suppose further that the production company—who never contested any of the facts in the registration before this point—claims that it has permission of a joint author to perform the work, but that alleged joint author died in year one of the window. Under the Ninth Circuit's extra-textual reasoning, a court could interfere with that transfer on equitable grounds, despite the unequivocal Congressional intent to return the copyright to the individual author.

---

[7] The reason for the stronger rule was entirely to benefit individual authors, and safeguard them from unremunerative transfers. *See* H.R. Rep. No. 94-1476, at 124-26 (1976) (explaining policy reasons behind the provision). Section 203(b)(1) abrogates a portion of the *Abend* decision in that it permits licensees to continue to exploit certain derivative works made before the termination took effect. 17 U.S.C. § 203(b)(1); *see* H.R. Rep. No. 94-1476, at 127.

III. EQUITABLE CONSIDERATIONS ARE AN APPROPRIATE MEANS FOR TAILORING INJUNCTIVE RELIEF.

Although equity can take notice of Petitioner's conduct in the pursuit of her claim, it does not have the role that the Ninth Circuit assigned it. Congress granted the courts broad equitable authority to tailor injunctive relief to the facts of a specific case. The Copyright Act provides that "Any court having jurisdiction of a civil action arising under this title may . . . grant temporary and final injunctions on such terms as it may deem *reasonable* to prevent or restrain infringement of a copyright." 17 U.S.C. § 502(a) (emphasis supplied); *Holmberg*, 327 U.S. at 395 (courts are free to "apply their own principles in enforcing an equitable right created by Congress"); *see also* Nimmer § 12.02[D]. In addition, this Court has repeatedly instructed that the "goals of copyright law are 'not always best served by automatically granting injunctive relief.'" *New York Times Co. v. Tasini*, 533 U.S. 483, 505 (2001) (quoting *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 578 n.10 (1994)); *see eBay, Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 392-93 (2006); *Elvis Presley Enters. v. Passport Video*, 357 F.3d 896, 899 (9th Cir. 2004) (reversing injunctive grant for consideration of the public interest in seeing Elvis Presley materials). *Cf.* 17 U.S.C. § 104A(d)(3)(A) (permitting compulsory license of "reasonable compensation" for certain derivative works).

The unauthorized making of a motion picture from a screenplay represents a "classic example of an unfair use," see *Abend*, 495 U.S. at 238, and would

ordinarily receive an injunction. *Amici* understand how Petitioner's lack of diligence could cause a court to balance hardships and conclude that Respondents should not have to cease those activities undertaken during a period of delay. The trial court should balance inequities against the reasons given in *Abend* for permitting heirs to retain ownership of renewals, see 495 U.S. at 223, 229, and against the fact that the law does not require that the owner of a copyright license it to anyone. *Fox Film Court v. Doyal*, 286 U.S. 123, 127 (1932). (The equities created by Petitioner's alleged failure to pursue her claims against Respondent's use of *Raging Bull* should not categorically prevent her from enjoining a *Raging Bull* remake.) The lower court, however, balanced those concerns at the wrong point in the proceeding, and did so in a way that injects the systemic uncertainty into the resolution of claims that section 507 was designed to cure.

IV. CONCLUSION

For the foregoing reasons, the decision of the lower court should be REVERSED and REMANDED for further proceedings.

Respectfully submitted,

Christopher A. Mohr
Counsel of record
Meyer, Klipper & Mohr, PLLC
923 15th Street NW
Washington, D.C. 20005
202-637-0850
chrismohr@mkmdc.com

AMICUS CURIAE BRIEF

RECORD
AND
BRIEF

No. 12-1315

Supreme Court, U.S.
FILED
NOV 21 2013
OFFICE OF THE CLERK

In The

Supreme Court of the United States

PAULA PETRELLA,

Petitioner,

v.

METRO-GOLDWYN-MAYER, INC., et al.,

Respondents.

On Writ Of Certiorari To The United States Court Of Appeals For The Ninth Circuit

BRIEF OF AMICUS CURIAE THE CALIFORNIA SOCIETY OF ENTERTAINMENT LAWYERS IN SUPPORT OF PETITIONER

STEVEN T. LOWE
DANIEL B. LIFSCHITZ
LOWE & ASSOCIATES
11400 Olympic Blvd.
Suite 640
Los Angeles, CA 90064
(310) 477-5811

STEVEN W. SMYRSKI
Counsel of Record
SMYRSKI LAW GROUP, A P.C.
3310 Airport Ave., SW
Santa Monica, CA 90405
(310) 397-9118
steve@smyrski.com

Counsel for Amicus Curiae

COCKLE LEGAL BRIEFS (800) 225-6964
WWW.COCKLELEGALBRIEFS.COM

Library of Congress
Law Library

TABLE OF CONTENTS

Page

TABLE OF CONTENTS i

TABLE OF AUTHORITIES ii

INTERESTS OF AMICUS CURIAE 1

SUMMARY OF ARGUMENT 1

ARGUMENT 3

A. Copyright Law Is Already Designed to Deter Weak Cases 3

B. Plaintiffs Often Gain Little and Lose Much by Delay 10

C. Empirical Data Do Not Show Need For Laches 11

CONCLUSION 15

TABLE OF AUTHORITIES

Page

CASES

Alexander v. Murdoch, 502 Fed. Appx. 107 (2d Cir. N.Y. 2012) 13

Apple Computer, Inc. v. Microsoft Corp., 35 F.3d 1435 (9th Cir. 1994) 4, 6, 7

Arden v. Columbia Pictures Industries, 908 F.Supp. 1248 (S.D.N.Y. 1995) 12

Benay v. Warner Bros. Entertainment, Inc., 607 F.3d 620 (9th Cir. 2010) 5, 9

Benjamin v. Walt Disney Company, 2007 U.S. Dist. LEXIS 91710 (C.D. Cal. 2007) 9

Berkic v. Crichton, 761 F.2d 1289 (9th Cir. 1985) 4

Bethea v. Burnett, 2005 WL 1720631 (C.D. Cal. 2005) 8

Blakeman v. Walt Disney Company, 613 F.Supp.2d 288 (E.D.N.Y. 2009) 13

Brown v. Perdue, 177 Fed. Appx. 121 (2d Cir. 2006) 13

Buggs v. Dreamworks, Inc., 2010 U.S. Dist. LEXIS 141515 (C.D. Cal. 2010) 9

Bunick v. UPN, 2008 U.S. Dist. LEXIS 35536 (S.D.N.Y. 2008) 13

Burns v. Imagine Films Entertainment, Inc., 2001 U.S. Dist. LEXIS 24653 (W.D.N.Y. 2001) 13

TABLE OF AUTHORITIES – Continued

Page

Cabell v. Sony Pictures Entm't, Inc., 425 Fed. Appx. 42 (2d Cir. N.Y. 2011) 13

Cavalier v. Random House, Inc., 297 F.3d 815 (9th Cir. 2002) 5

Clements v. Screen Gems, Inc., 2010 U.S. Dist. LEXIS 132186 (C.D. Cal. 2010) 9

Cosmetic Ideas, Inc. v. IAC/INTERACTIVECORP, 606 F.3d 612 (9th Cir. 2010) 6

Cox v. Abrams, 1997 U.S. Dist. LEXIS 6687 (S.D.N.Y. 1997) 13

Dastar Corp. v. Twentieth Century Fox Film Corp., 539 U.S. 23 (2003) 6

DuckHole Inc. v. NBC Universal Media LLLC, 2013 U.S. Dist. LEXIS 157305 (C.D. Cal. 2013) 9

Effects Associates, Inc. v. Cohen, 908 F.2d 555 (9th Cir. 1990) 6

Effie Film, LLC v. Pomerance, 909 F.Supp.2d 273 (S.D.N.Y. 2012) 13

Feist Publications, Inc. v. Rural Telephone Service Co., 499 U.S. 340 (1991) 3, 4, 6

Flaherty v. Filardi, 2009 U.S. Dist. LEXIS 22641 (S.D.N.Y. 2009) 13

Flynn v. Surnow, 2003 U.S. Dist. LEXIS 26973 (C.D. Cal. 2003) 8

Funky Films v. Time Warner Entertainment, 462 F.3d 1072 (9th Cir. 2006) 9

TABLE OF AUTHORITIES – Continued

Page

Gable v. National Broadcasting Co., 727 F.Supp.2d 815 (C.D. Cal. 2010) 9

Gilbert v. New Line Productions, 2010 U.S. Dist. LEXIS 27134 (C.D. Cal. 2010).....9

Goldberg v. Cameron, 787 F.Supp.2d 1013 (N.D. Cal. 2011).....9, 10

Gregory v. Murphy, 1991 U.S. App. LEXIS 4893 (9th Cir. 1991) 8

Grosso v. Miramax Film Corporation, 2001 U.S. Dist. LEXIS 26199 (C.D. Cal. 2001).....8

Hadady Corp. v. Dean Witter Reynolds, Inc., 739 F.Supp. 1392 (C.D. Cal. 1990).....6

Hallford v. Fox Entm't Group, Inc., 2013 U.S. Dist. LEXIS 19625 (S.D.N.Y. 2013).....14

Harmelin v. Michigan, 501 U.S. 957 (1991).....14

Harper & Row, Publishers, Inc. v. Nation Enterprises, 471 U.S. 539 (1985).....3

Historical Truth Productions v. Sony Pictures Entertainment, 1995 U.S. Dist. LEXIS 17477 (S.D.N.Y. 1995).....12

Hudson v. Universal Pictures Corporation, 2004 U.S. Dist. LEXIS 11508 (E.D.N.Y. 2004).....13

Idema v. Dreamworks, Inc., 162 F.Supp.2d 1129 (C.D. Cal. 2001).....8

Kamar International, Inc. v. Russ Berrie & Co., 657 F.2d 1059 (9th Cir. 1981) 5, 10

TABLE OF AUTHORITIES – Continued

Page

Kodadek v. MTV Networks, 1996 U.S. Dist. LEXIS 20776 (C.D. Cal. 1996) 8

Kouf v. Walt Disney Pictures & Television, 16 F.3d 1042 (9th Cir. 1994) 5, 8

Kretschmer v. Warner Bros., 1994 U.S. Dist. LEXIS 7805 (S.D.N.Y. 1994) 12

Lane v. Universal City Studios, 1994 U.S. App. LEXIS 23769 (9th Cir. 1994) 8

Laskay v. New Line Cinema, 1998 U.S. App. LEXIS 23461 (C.D. Cal. 1998) 8

Lassiter v. Twentieth Century Fox Film Corporation, 238 Fed. Appx. 194 (9th Cir. 2007) 9

Latimore v. NBC Universal TV Studio, 480 Fed. Appx. 649 (2d Cir. 2012) 13

Mallery v. NBC Universal, Inc., 331 Fed. Appx. 821 (2d Cir. 2009) 13

Mena v. Fox Entm't Group, 2012 U.S. Dist. LEXIS 143964 (S.D.N.Y. 2012) 13

Merrill v. Paramount Pictures Corporation, 2005 U.S. Dist. LEXIS 45401 (C.D. Cal. 2005) 8

Mestre v. Vivendi Universal U.S. Holding Co., 273 Fed. Appx. 631 (9th Cir. 2008) 9

Metcalf v. Bochco, 294 F.3d 1069 (9th Cir. 2002) 5, 7, 8

Micro Star v. Formgen Inc., 154 F.3d 1107 (9th Cir. 1998) 6

TABLE OF AUTHORITIES – Continued

Page

Milano v. NBC Universal, Inc., 584 F.Supp.2d 1288 (C.D. Cal. 2008) 9

Mowry v. Viacom International, Inc., 2005 U.S. Dist. LEXIS 15189 (S.D.N.Y. 2005) 13

Muller v. Twentieth Century Fox Film Corp., 794 F.Supp.2d 429 (S.D.N.Y. 2011) 13

Newton v. Diamond, 349 F.3d 591 (9th Cir. 2003) 7

Novak v. National Broadcasting Company, 752 F.Supp. 164 (S.D.N.Y. 1990) 12

Novak v. Warner Bros. Pictures, LLC, 387 Fed. Appx. 747 (9th Cir. 2010) 9

Ostrowski v. Creative Artists Agency, 1994 U.S. App. LEXIS 23732 (9th Cir. 1994) 8

Pelt v. CBS, Inc., 1993 U.S. Dist. LEXIS 20464 (C.D. Cal. 1993) 8

Quirk v. Sony Pictures Entm't Inc., 2013 U.S. Dist. LEXIS 47954 (N.D. Cal. 2013) 9

Rice v. Fox Broad. Co., 330 F.3d 1170 (9th Cir. 2003) 5, 7, 8

Robinson v. Viacom International, 1995 U.S. Dist. LEXIS 9781 (S.D.N.Y. 1995) 13

Rodriguez v. Heidi Klum Company, LLC, 2008 U.S. Dist. LEXIS 80805 (S.D.N.Y. 2008) 13

Roley v. New World Pictures, Ltd., 19 F.3d 479 (9th Cir. 1994) 6

TABLE OF AUTHORITIES – Continued

Page

Rosenfeld v. Twentieth Century Fox Film, 2009 U.S. Dist. LEXIS 9305 (C.D. Cal. 2009).....9

Satava v. Lowry, 323 F.3d 805 (9th Cir. 2003).....7

Shaw v. Lindheim, 809 F.Supp. 1393 (C.D. Cal. 1992).....8

The Sheldon Abend Revocable Trust v. Steven Spielberg, 748 F.Supp.2d 200 (S.D.N.Y. 2010).....13

Sid & Marty Krofft Television Prods., Inc. v. McDonald's Corp., 562 F.2d 1157 (9th Cir. 1977).....4

Stewart v. Wachowski, 574 F.Supp.2d 1074 (C.D. Cal. 2005).....9, 10

Three Boys Music Corp. v. Bolton, 212 F.3d 477 (9th Cir. 2000).....4, 7

Thomas v. Walt Disney Company, 337 Fed. Appx. 694 (9th Cir. 2009).....9

Walker v. Viacom International, Inc., 2010 U.S. App. LEXIS 1475 (9th Cir. 2010).....9

Webb v. Stallone, 910 F.Supp.2d 681 (S.D.N.Y. 2012).....14

Weygand v. CBS, 1997 U.S. Dist. LEXIS 19613 (C.D. Cal. 1997).....8

Wild v. NBC Universal, Inc., 2013 U.S. App. LEXIS 4169 (9th Cir. 2013).....10

Williams v. Crichton, 84 F.3d 581 (2d Cir. 1996).....13

TABLE OF AUTHORITIES – Continued

Page

Willis v. HBO, 2001 U.S. Dist. LEXIS 17887 (S.D.N.Y. 2001) 13

Zella v. E. W. Scripps Company, 529 F.Supp.2d 1124 (C.D. Cal. 2007) 9

STATUTES

17 U.S.C. §103 3

17 U.S.C. §107 7

17 U.S.C. §§108-122 7

17 U.S.C. §411(a) 4, 6

17 U.S.C. §507(b) 6

OTHER AUTHORITIES

4 Melville B. Nimmer & David Nimmer, Nimmer on Copyright (2011) 4, 5

U.S. Copyright Office, Circular 1, "Copyright Basics" 4

Steven T. Lowe, Death of Copyright, L.A. LAWYER, Nov. 2010 3

Steven T. Lowe & Daniel Lifschitz, Death of Copyright, the Sequel, THE COMPUTER & INTERNET LAWYER, Sept. 2012 3

INTERESTS OF AMICUS CURIAE[1]

Amicus curiae the California Society of Entertainment Lawyers (CSEL) is a recently formed non-profit, non-partisan, professional organization of attorneys representing authors, screenwriters, songwriters, and other creators of intellectual property in the entertainment industry. CSEL seeks to balance the influence of the international conglomerates within the television, film, and music industries through education, public-policy advocacy, legislation, and litigation.

SUMMARY OF ARGUMENT

As demonstrated in Petitioner's Brief, nothing in the text of the Copyright Act's three-year statute of limitations suggests that the Act authorizes the atextual existence of a laches defense. Speaking more specifically, nothing in the full text of the Copyright Act, nor its legislative history, suggests that the Act provides for *any* equitable doctrine to supersede an explicitly provided statutory one. Thus, the only reason to add the laches defense to copyright law would

[1] Pursuant to Supreme Court Rule 37.6, counsel for Amicus certify that no counsel for a party authored this brief in whole or in part and no such counsel or party made a monetary contribution to the preparation or submission of the brief. Letters from all parties consenting to the filing of this brief have been submitted to the Clerk.

be to promote an overriding policy requirement. No such compelling policy exists.

In an attempt to retain a defense arsenal of both the statute of limitations and the laches defense as bars to a plaintiff's copyright claim, defendants might suggest that the defense of laches is necessary to prevent a proverbial "opening of the floodgates" – a tidal wave of opportunistic plaintiffs who have been "sleeping on their rights" and will, if allowed, flood the judicial system with stale claims. This view presumes that copyright suits are easy to litigate and win – a view that is belied by every facet of copyright litigation in both doctrine and practice.

Further, the suggestion has been made that plaintiffs may be emboldened to wait to file copyright claims if the laches defense is unavailable. In practice, no copyright plaintiff gains any worthwhile advantage by delaying a claim, rendering the suggestion nonsensical. Finally, even in those circuits that bar or restrict laches, no empirical evidence exists to support the position that the absence of laches leads to any increase in copyright infringement lawsuits.

In short, any argument that copyright plaintiffs will adversely affect the judicial system if the application of laches is restricted is simply incorrect.

ARGUMENT

A. Copyright Law Is Already Designed to Deter Weak Cases

Copyright infringement lawsuits in the entertainment industry are virtually always vigorously and successfully defended.[2] For illustrative purposes, it is helpful to focus on the jurisdiction that represents the experience of CSEL's membership, namely the jurisdiction from which the instant case (and indeed, a significant amount of copyright litigation within the entertainment industry) arises: the Ninth Circuit. To successfully litigate a copyright infringement claim in the Ninth Circuit, a plaintiff must do all of the following:

First, the plaintiff must demonstrate that he or she owns a valid copyright in the work that the defendant is alleged to have copied from.[3] This requires that the work be original,[4] with its subject matter eligible for copyright protection.[5] The work

---

[2] *See* generally, Steven T. Lowe, Death of Copyright, L.A. LAWYER, Nov. 2010, available at http://www.loweandassociatespc.com/press/publications/death-of-copyright; Steven T. Lowe & Daniel Lifschitz, Death of Copyright, the Sequel, THE COMPUTER & INTERNET LAWYER, Sept. 2012, available at http://www.loweandassociatespc.com/press/publications/death-of-copyright-the-sequel.

[3] *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340, 361 (1991).

[4] *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 547-549 (1985).

[5] 17 U.S.C. §103.

must also possess a "national point of attachment"[6] and the copyright registration must comply with any and all applicable statutory formalities.[7] Additionally, if the plaintiff is not the actual creator of the work, the plaintiff must prove a transfer of rights or other relationship between the author and the plaintiff in order to make the plaintiff the valid copyright claimant.[8]

Second, the plaintiff must show that the defendant actually copied from her work,[9] requiring evidence of the defendant's access to the work.[10] When the work has not been widely disseminated, a plaintiff must establish a likelihood of access through "a particular chain of events."[11] Due to its circumstantial nature, this chain will be closely scrutinized and must go beyond "mere speculation or conjecture."[12]

---

[6] *See* 4 Melville B. Nimmer & David Nimmer, Nimmer on Copyright §5.05 (2011); U.S. Copyright Office, Circular 1, "Copyright Basics," p. 2, available at http://www.copyright.gov/circs/circ01.pdf.

[7] *See, e.g.*, 17 U.S.C. §411(a).

[8] 4 Melville B. Nimmer & David Nimmer, Nimmer on Copyright §13.01[A] (2011).

[9] *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340, 361 (1991).

[10] *Sid & Marty Krofft Television Prods., Inc. v. McDonald's Corp.*, 562 F.2d 1157, 1162 (9th Cir. 1977); *Berkic v. Crichton*, 761 F.2d 1289, 1291 (9th Cir. 1985); *Apple Computer, Inc. v. Microsoft Corp.*, 35 F.3d 1435, 1442 (9th Cir. 1994); *Three Boys Music Corp. v. Bolton*, 212 F.3d 477, 481 (9th Cir. 2000).

[11] *Three Boys Music*, 212 F.3d at 482.

[12] *Id.*

However, since direct evidence of copying is almost never available,[13] most chains necessarily involve some level of speculation and are frequently rejected for this very reason.[14]

Third, the plaintiff must show "substantial similarity"[15] between the works; that is to say, even if it is proven that a defendant copied original elements of plaintiff's work, there must be "articulable similarities"[16] between the works sufficient to convince a trier of fact that the copying was actionable, rather than merely random happenstance.[17] Additionally, a trier of fact must determine not only that the works are *objectively* similar in their articulable similarities, but also that they are *subjectively* similar to a reasonable ordinary observer in their "total concept and feel."[18]

---

[13] *Kamar International, Inc. v. Russ Berrie & Co.*, 657 F.2d 1059, 1062 (9th Cir. 1981); 4 Melville B. Nimmer & David Nimmer, Nimmer on Copyright §13.02 [A] (2001).

[14] *See, e.g., Rice v. Fox Broad. Co.*, 330 F.3d 1170, 1178 (9th Cir. 2003).

[15] *Benay v. Warner Bros. Entertainment, Inc.*, 607 F.3d 620, 624 (9th Cir. 2010).

[16] *Kouf v. Walt Disney Pictures & Television*, 16 F.3d 1042, 1045 (9th Cir. 1994).

[17] *Metcalf v. Bochco*, 294 F.3d 1069, 1074-75 (9th Cir. 2002) (noting that "random similarities scattered throughout" works are insufficient to constitute substantial similarity).

[18] *Cavalier v. Random House, Inc.*, 297 F.3d 815, 822 (9th Cir. 2002).

Finally, even if a plaintiff can demonstrate all of the above in court, she must overcome a myriad of defenses available to alleged infringers. These can include that the plaintiff never registered her copyright,[19] or that the copyright has expired,[20] been forfeited,[21] or was abandoned[22] at time of suit. The three-year statute of limitations for an infringement suit to be filed may have run.[23] The court may find that the plaintiff granted permission for his work to be used, either outright or through an implied license.[24] It may be determined that the similarities arise from a common factual premise,[25] a licensed[26] or public domain[27]

---

[19] 17 U.S.C. §411(a); *see Cosmetic Ideas, Inc. v. IAC/INTERACTIVECORP*, 606 F.3d 612 (9th Cir. 2010) (discussing the requirements of registration).

[20] *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 33 (2003).

[21] *Hadady Corp. v. Dean Witter Reynolds, Inc.*, 739 F.Supp. 1392, 1399 (C.D. Cal. 1990).

[22] *Micro Star v. Formgen Inc.*, 154 F.3d 1107, 1114 (9th Cir. 1998).

[23] 17 U.S.C. §507(b); *Roley v. New World Pictures, Ltd.*, 19 F.3d 479 (9th Cir. 1994).

[24] *Effects Associates, Inc. v. Cohen*, 908 F.2d 555 (9th Cir. 1990).

[25] *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340, 344-45 (1991).

[26] *Apple Computer, Inc. v. Microsoft Corp.*, 35 F.3d 1435, 1439 (9th Cir. 1994).

[27] *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 31 (2003).

source, or were a product of independent creation.[28] A judge may decide that the similarities only exist at the level of ideas,[29] or may be deemed such common expressions of an idea as to be stock "scenes a faire"[30] or merged with the idea itself (i.e., the "merger doctrine").[31] The similarities may be held as "random" instead of patterned.[32] And even if the ideas are original, expressive, protectable, and attributable to copying from the plaintiff's work, the copying may be considered fair use,[33] de minimis,[34] or otherwise non-actionable.[35]

Thus, copyright claims are rigorously analyzed, and routinely lost by plaintiffs.[36] Diminishing or curtailing the laches defense would not materially change the viability of copyright claims. To assert that the absence of laches from a defendant's arsenal will unfairly decrease the burden upon plaintiffs

---

[28] *Three Boys Music Corp. v. Bolton*, 212 F.3d 477, 486 (9th Cir. 2000).

[29] *Apple Computer v. Microsoft Corp.*, 35 F.3d 1435, 1447 (9th Cir. 1994).

[30] *Rice v. Fox Broad. Co.*, 330 F.3d 1170, 1175 (9th Cir. 2003).

[31] *Satava v. Lowry*, 323 F.3d 805, 812, fn. 5 (9th Cir. 2003).

[32] *Metcalf v. Bochco*, 294 F.3d 1069, 1074-75 (9th Cir. 2002).

[33] 17 U.S.C. §107.

[34] *Newton v. Diamond*, 349 F.3d 591, 594 (9th Cir. 2003).

[35] 17 U.S.C. §§108-122 (providing a variety of statutory exceptions and licenses).

[36] *See* footnotes 37 and 43, *infra*.

simply cannot be squared with the reality of modern copyright litigation, one where not a single film or television studio in the Ninth Circuit has been held liable for copyright infringement in over twenty years.[37]

---

[37] *Gregory v. Murphy*, 1991 U.S. App. LEXIS 4893 (9th Cir. 1991) (summary judgment for defendant affirmed) ("Coming to America"); *Shaw v. Lindheim*, 809 F.Supp. 1393 (C.D. Cal. 1992) (upon remand, judgment as a matter of law for defendant) ("The Equalizer"); *Pelt v. CBS, Inc.*, 1993 U.S. Dist. LEXIS 20464 (C.D. Cal. 1993) (summary judgment for defendant) ("Listen Up! Young Voices for Change"); *Kouf v. Walt Disney Pictures and Television*, 16 F.3d 1042 (9th Cir. 1994) (summary judgment for defendant) ("Honey, I Shrunk the Kids"); *Lane v. Universal City Studios*, 1994 U.S. App. LEXIS 23769 (9th Cir. 1994) (summary judgment for defendant) ("Kojak: Fatal Flaw"); *Ostrowski v. Creative Artists Agency*, 1994 U.S. App. LEXIS 23732 (9th Cir. 1994) (summary judgment for defendant) ("To Forget Palermo"); *Kodadek v. MTV Networks*, 1996 U.S. Dist. LEXIS 20776 (C.D. Cal. 1996) (summary judgment for defendant) ("Beavis & Butthead"); *Weygand v. CBS*, 1997 U.S. Dist. LEXIS 19613 (C.D. Cal. 1997) (summary judgment for defendant) ("Charlie"); *Laskay v. New Line Cinema*, 1998 U.S. App. LEXIS 23461 (C.D. Cal. 1998) (summary judgment for defendant) ("Don Juan DeMarco"); *Grosso v. Miramax Film Corporation*, 2001 U.S. Dist. LEXIS 26199 (C.D. Cal. 2001) (summary judgment for defendant) ("Rounders"); *Idema v. Dreamworks, Inc.*, 162 F.Supp.2d 1129 (C.D. Cal. 2001) (summary judgment for defendant) ("The Peacemaker"); *Rice v. Fox Broadcasting Company*, 330 F.3d 1170 (9th Cir. 2003) (summary judgment for defendant) ("The Mystery Magician"); *Metcalf v. Bochco*, 294 F.3d 1069 (9th Cir. 2002) (jury verdict for defendant), aff'd, *Metcalf v. Bochco*, 200 Fed. Appx. 635 (9th Cir. 2006) ("City of Angels"); *Flynn v. Surnow*, 2003 U.S. Dist. LEXIS 26973 (C.D. Cal. 2003) (summary judgment for defendant) ("24"); *Bethea v. Burnett*, 2005 WL 1720631 (C.D. Cal. 2005) (summary judgment for defendant) ("The Apprentice"); *Merrill v. Paramount Pictures Corporation*, 2005 U.S. Dist. LEXIS 45401 (C.D. Cal. 2005) (summary judgment for

(Continued on following page)

defendant) ("Crossroads"); *Stewart v. Wachowski*, 574 F.Supp.2d 1074 (C.D. Cal. 2005) (summary judgment for defendant) ("The Matrix"); *Funky Films v. Time Warner Entertainment*, 462 F.3d 1072 (9th Cir. 2006) (summary judgment for defendant) ("Six Feet Under"); *Benjamin v. Walt Disney Company*, 2007 U.S. Dist. LEXIS 91710 (C.D. Cal. 2007) (summary judgment for defendant) ("Sweet Home Alabama"); *Lassiter v. Twentieth Century Fox Film Corporation*, 238 Fed. Appx. 194 (9th Cir. 2007) (summary judgment for defendant) ("Drumline"); *Zella v. E. W. Scripps Company*, 529 F.Supp.2d 1124 (C.D. Cal. 2007) (dismissal for defendant) ("Rachael Ray"); *Mestre v. Vivendi Universal U.S. Holding Co.*, 273 Fed. Appx. 631 (9th Cir. 2008) (summary judgment for defendant) ("Billy Elliot"); *Milano v. NBC Universal, Inc.*, 584 F.Supp.2d 1288 (C.D. Cal. 2008) (summary judgment for defendant) ("The Biggest Loser"); *Rosenfeld v. Twentieth Century Fox Film*, 2009 U.S. Dist. LEXIS 9305 (C.D. Cal. 2009) (summary judgment for defendant) ("Robots"); *Thomas v. Walt Disney Company*, 337 Fed. Appx. 694 (9th Cir. 2009) (dismissal for defendant) ("Finding Nemo"); *Benay v. Warner Bros. Entertainment, Inc.*, 607 F.3d 620 (9th Cir. 2010) (summary judgment for defendant) ("The Last Samurai"); *Buggs v. Dreamworks, Inc.*, 2010 U.S. Dist. LEXIS 141515 (C.D. Cal. 2010) (summary judgment for defendant) ("Flushed Away"); *Clements v. Screen Gems, Inc.*, 2010 U.S. Dist. LEXIS 132186 (C.D. Cal. 2010) (summary judgment for defendant) ("Stomp the Yard"); *Gable v. National Broadcasting Co.*, 727 F.Supp.2d 815 (C.D. Cal. 2010) (summary judgment for defendant) ("My Name Is Earl"); *Gilbert v. New Line Productions*, 2010 U.S. Dist. LEXIS 27134 (C.D. Cal. 2010) (summary judgment for defendant) ("Monster in Law"); *Novak v. Warner Bros. Pictures, LLC*, 387 Fed. Appx. 747 (9th Cir. 2010) (summary judgment for defendant) ("We Are Marshall"); *Walker v. Viacom International, Inc.*, 2010 U.S. App. LEXIS 1475 (9th Cir. 2010) (summary judgment for defendant) ("SpongeBob SquarePants"); *Goldberg v. Cameron*, 787 F.Supp.2d 1013, 2011 U.S. Dist. LEXIS 36840 (N.D. Cal. 2011) (summary judgment for defendant) ("Terminator" franchise); *DuckHole Inc. v. NBC Universal Media LLLC*, 2013 U.S. Dist. LEXIS 157305, (C.D. Cal. 2013) (dismissal for defendant) ("Animal Practice"); *Quirk v. Sony Pictures Entm't*

(Continued on following page)

So successful are defendants with all of the other defenses available that they don't even need laches to prevail.[38]

B. Plaintiffs Often Gain Little and Lose Much by Delay

As noted by Petitioner, the plaintiff in a copyright suit bears the burden of proof by preponderance of the evidence,[39] and her obligation is to build a *prima facie* case in the manner discussed above. Any loss of evidence due to the passage of time generally works to the disadvantage of the party with the burden of proof.

For example, proving that a defendant had circumstantial access to a plaintiff's work often requires witnesses who can attest to either delivery or receipt of the work.[40] As time passes, witnesses to the foregoing may pass away or become difficult to locate, and memories naturally fade over time. These

---

Inc., 2013 U.S. Dist. LEXIS 47954 (N.D. Cal. 2013) (summary judgment for defendant) ("Premium Rush"); *Wild v. NBC Universal, Inc.*, 2013 U.S. App. LEXIS 4169 (9th Cir. 2013) (summary judgment for defendant) ("Heroes").

[38] *See, e.g.*, *Stewart v. Wachowski*, 574 F.Supp.2d 1074 (C.D. Cal. 2005) (granting summary judgment to a studio defendant after having denied laches in an earlier proceeding); *Goldberg v. Cameron*, 787 F.Supp.2d 1013 (N.D. Cal. 2011) (same).

[39] Petr. Br. 54.

[40] *Kamar International, Inc. v. Russ Berrie & Co.*, 657 F.2d 1059, 1062 (9th Cir. 1981).

evidentiary problems will generally benefit the *defendants*, who may refute the allegation of access by showing that the chain of events calls for speculation or conjecture. Thus, it is in every plaintiff's best interest to bring infringement claims as expeditiously as possible, lest critical evidence decay or disappear entirely.

It has been suggested that barring the equitable defense of laches in copyright will encourage plaintiffs to "lie in wait" in order to first determine that a project is successful. However, this argument is entirely antithetical to the business reality of the entertainment industry. For example, a film usually generates the most revenue in the weeks and months immediately following its release, since this is when the film is at the peak of its availability, marketing, and public awareness. Consequently, a plaintiff can readily assess the value of a lawsuit and seek redress for a claim well within the Copyright Act's three-year statute of limitations.

In short, the rule of diminishing returns is a primary concern in the world of delayed copyright infringement lawsuits. Quite apart from laches, plaintiffs have plenty of incentives not to sleep on their rights.

C. Empirical Data Do Not Show Need For Laches

Petitioner's Brief notes that six federal circuits have considered whether and when the doctrine of

laches may apply to copyright claims.[41] Five of those six federal circuits apply laches, if at all, in far fewer scenarios than the Ninth Circuit.[42] If there were any validity to the fear that a more restrictive application of laches would lead to an onslaught of untimely copyright claims, Amicus must ask: where is the flood?

According to LexisNexis, federal courts have only mentioned "copyright" and "laches" in the same paragraph 425 times since 1957, when the Copyright Act's uniform statute of limitations was first implemented. For perspective, removing "laches" from the search yields 31,349 results. Thus, laches is discussed in only one per cent of all copyright-infringement cases. The majority of these cases hail from the Second Circuit (123 mentions) and Ninth Circuit (96 mentions), both jurisdictions in which film and television studios have prevailed in virtually all copyright infringement suits brought against them for over twenty years.[43] This is true notwithstanding the fact

---

[41] Pet. 15-24.

[42] *Id.*

[43] *See* footnote 37, *supra* (listing 9th Circuit cases); *Novak v. National Broadcasting Company*, 752 F.Supp. 164 (S.D.N.Y. 1990) (summary judgment for defendant) ("Saturday Night Live"); *Kretschmer v. Warner Bros.*, 1994 U.S. Dist. LEXIS 7805 (S.D.N.Y. 1994) (summary judgment for defendant) ("Defending Your Life"); *Arden v. Columbia Pictures Industries*, 908 F.Supp. 1248 (S.D.N.Y. 1995) (summary judgment for defendant) ("Groundhog Day"); *Historical Truth Productions v. Sony Pictures Entertainment*, 1995 U.S. Dist. LEXIS 17477 (S.D.N.Y. 1995) (summary judgment for defendant) ("Universal Soldier");

(Continued on following page)

Robinson v. Viacom International, 1995 U.S. Dist. LEXIS 9781 (S.D.N.Y. 1995) (summary judgment for defendant) ("Hi Honey"); *Williams v. Crichton*, 84 F.3d 581 (2d Cir. 1996) (summary judgment for defendant) ("Jurassic Park"); *Cox v. Abrams*, 1997 U.S. Dist. LEXIS 6687 (S.D.N.Y. 1997) (summary judgment for defendant) ("Regarding Henry"); *Burns v. Imagine Films Entertainment, Inc.*, 2001 U.S. Dist. LEXIS 24653 (W.D.N.Y. 2001) (summary judgment for defendant) ("Backdraft"); *Willis v. HBO*, 2001 U.S. Dist. LEXIS 17887 (S.D.N.Y. 2001) (summary judgment for defendant) ("Arli$$"); *Hudson v. Universal Pictures Corporation*, 2004 U.S. Dist. LEXIS 11508 (E.D.N.Y. 2004) (summary judgment for defendant) ("Life"); *Mowry v. Viacom International, Inc.*, 2005 U.S. Dist. LEXIS 15189 (S.D.N.Y. 2005) (summary judgment for defendant) ("The Truman Show"); *Brown v. Perdue*, 177 Fed. Appx. 121 (2d Cir. 2006) (summary judgment for defendant) ("The Da Vinci Code"); *Bunick v. UPN*, 2008 U.S. Dist. LEXIS 35536 (S.D.N.Y. 2008) (summary judgment for defendant) ("South Beach"); *Rodriguez v. Heidi Klum Company, LLC*, 2008 U.S. Dist. LEXIS 80805 (S.D.N.Y. 2008) (summary judgment for defendant) ("Project Runway"); *Blakeman v. Walt Disney Company*, 613 F.Supp.2d 288 (E.D.N.Y. 2009) (summary judgment for defendant) ("Swing Vote"); *Flaherty v. Filardi*, 2009 U.S. Dist. LEXIS 22641 (S.D.N.Y. 2009) (summary judgment for defendant) ("Bringing Down the House"); *Mallery v. NBC Universal, Inc.*, 331 Fed. Appx. 821 (2d Cir. 2009) (summary judgment for defendant) ("Heroes"); *The Sheldon Abend Revocable Trust v. Steven Spielberg*, 748 F.Supp.2d 200 (S.D.N.Y. 2010) (summary judgment for defendants) ("Disturbia"); *Cabell v. Sony Pictures Entm't, Inc.*, 425 Fed. Appx. 42 (2d Cir. N.Y. 2011) (summary judgment for defendant) ("You Don't Mess with the Zohan"); *Muller v. Twentieth Century Fox Film Corp.*, 794 F.Supp.2d 429 (S.D.N.Y. 2011) ("Alien vs. Predator"); *Alexander v. Murdoch*, 502 Fed. Appx. 107 (2d Cir. N.Y. 2012) ("Modern Family"); *Effie Film, LLC v. Pomerance*, 909 F.Supp.2d 273, 312 (S.D.N.Y. 2012) (judgment on the pleadings for defendant) ("Effie"); *Latimore v. NBC Universal TV Studio*, 480 Fed. Appx. 649 (2d Cir. 2012) (dismissal for defendant) ("The Biggest Loser"); *Mena v. Fox Entm't Group*, 2012 U.S. Dist. LEXIS 143964 (S.D.N.Y. 2012) (dismissal

(Continued on following page)

that the Second Circuit applies the laches doctrine in far more limited circumstances than the Ninth.[44] Thus, the availability of laches appears to have no significant impact on the frequency with which copyright cases are filed, nor on their ultimate outcomes.

As noted by this Court, a "parade of horribles" is only as strong an argument as the probability that the parade will in fact materialize. *Harmelin v. Michigan*, 501 U.S. 957, 986 n. 11 (1991). Respondents have not so carried their burden; indeed, they have presented no evidence whatsoever to indicate that denying the applicability of laches to copyright claimants will lead to anything other than application of the Copyright Act's statute of limitations. Despite the current copyright landscape yielding a slew of laches standards, not one Circuit appears to have yielded an aberrant number of cases grappling with the defense. If there is no parade of horribles now, it seems unlikely that there will ever be.

---

for defendant) ("Past Life"); *Webb v. Stallone*, 910 F.Supp.2d 681 (S.D.N.Y. 2012) (summary judgment for defendant) ("The Expendables"); *Hallford v. Fox Entm't Group, Inc.*, 2013 U.S. Dist. LEXIS 19625 (S.D.N.Y. 2013) (dismissal for defendant) ("Touch").

[44] Pet. 17.

CONCLUSION

Copyright litigation is already filled with a great number of obstacles for plaintiffs to overcome, and application of laches in addition to the three-year statute of limitations spelled out in the Copyright Act is an unnecessary additional burden. Without any logical or empirical evidence for the notion that curtailing laches will encourage plaintiffs to "sleep on their rights" or "lie in wait," the fear of an onslaught of stale copyright claims is baseless. Any such danger would have manifested long ago, given the spectrum of the current circuit split. This only reinforces how unnecessary the doctrine of laches is to a functioning system of copyright law.

Respectfully submitted,

STEVEN T. LOWE
DANIEL B. LIFSCHITZ
LOWE & ASSOCIATES
11400 Olympic Blvd.
Suite 640
Los Angeles, CA 90064
(310) 477-5811

Counsel for Amicus Curiae

STEVEN W. SMYRSKI
Counsel of Record
SMYRSKI LAW GROUP, A P.C.
3310 Airport Ave., SW
Santa Monica, CA 90405
(310) 397-9118
steve@smyrski.com

AMICUS CURIAE BRIEF

Supreme Court, U.S.
FILED
DEC 23 2013
OFFICE OF THE CLERK

No. 12-1315

In the
Supreme Court of the United States

PAULA PETRELLA,

Petitioner,

v.

METRO-GOLDWYN-MAYER, INC., ET AL.,

Respondents.

On Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

BRIEF FOR *AMICUS CURIAE* THE CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA SUPPORTING RESPONDENTS

KATE COMERFORD TODD
TYLER R. GREEN
NATIONAL CHAMBER LITIGATION CENTER, INC.
1615 H Street, NW
Washington, DC 20062

H. CHRISTOPHER BARTOLOMUCCI
Counsel of Record
BANCROFT PLLC
1919 M Street, NW
Suite 470
Washington, DC 20036
(202) 234-0090
cbartolomucci@bancroftpllc.com

Counsel for Amicus Curiae

December 23, 2013

TABLE OF CONTENTS

TABLE OF AUTHORITIES ii
INTEREST OF *AMICUS CURIAE* 1
SUMMARY OF THE ARGUMENT 2
ARGUMENT 3
I. Congress' Enactment Of A Statute Of Limitations For A Federal Claim Is Not A *Per Se* Bar To Applying The Doctrine Of Laches To That Claim. 3
II. This Court's Equitable Tolling Cases Further Support The Conclusion That Laches May Bar A Claim Even If A Statute Of Limitations Applies. 15
III. Laches May Bar Claims For Legal Relief. 17
CONCLUSION 23

TABLE OF AUTHORITIES

Cases

A.C. Aukerman Co.
v. R.L. Chaides Constr. Co.,
960 F.2d 1020 (Fed. Cir. 1992) 11

Am. Pipe & Constr. Co. v. Utah,
414 U.S. 538 (1974) 16

Bateman Eichler, Hill Richards, Inc.
v. Berner,
472 U.S. 299 (1985) 22

Bay Area Laundry & Dry Cleaning Pension
Trust Fund v. Ferbar Corp. of Cal., Inc.,
522 U.S. 192 (1997) 10

Caldwell v. Barnes,
975 S.W.2d 535 (Tex. 1998) 13

Califano v. Yamasaki,
442 U.S. 682 (1979) 4

California v. Am. Stores Co.,
495 U.S. 271 (1990) 9

In re Centric Corp.,
901 F.2d 1514 (10th Cir. 1990) 10

Cleveland Newspaper Guild, Local 1
v. Plain Dealer Publ'g Co.,
839 F.2d 1147 (6th Cir. 1988) 9

Cnty. of Oneida v. Oneida Indian Nation,
470 U.S. 226 (1985) 21

Cornetta v. United States,
851 F.2d 1372 (Fed. Cir. 1988) 12, 19

Costello v. United States,
365 U.S. 265 (1961) 2

Danjaq LLC v. Sony Corp.,
263 F.3d 942 (9th Cir. 2001) 11

Dep't of Banking & Fin. v. Wilken,
352 N.W.2d 145 (Neb. 1984) 20

Elmendorf v. Taylor,
23 U.S. 152 (1825) 2

Envtl. Def. Fund, Inc. v. Alexander,
614 F.2d 474 (5th Cir. 1980) 18

Fibreboard Paper Prods. Corp. v. E. Bay Union of Machinists,
227 Cal. App. 2d 675 (Dist. Ct. App. 1964) 20

Fitzgerald v. O'Connell,
386 A.2d 1384 (R.I. 1978) 13

G.D. Searle & Co. v. Cohn,
455 U.S. 404 (1982) 7

Gardner v. Panama R. Co.,
342 U.S. 29 (1951) 6

In re Giacomini,
842 A.2d 70 (N.H. 2004) 13

Groome v. Steward,
142 F.2d 756 (D.C. Cir. 1944) 18

Gruca v. U.S. Steel Corp.,
495 F.2d 1252 (3d Cir. 1974) 20

Guar. Trust Co. of N.Y. v. York,
326 U.S. 99 (1945) 4

Gulf Oil Corp. v. Gilbert,
330 U.S. 501 (1947) 22

Hall v. Cole,
412 U.S. 1 (1973) 22

Hazel-Atlas Glass Co.
v. Hartford-Empire Co.,
322 U.S. 238 (1944) 22

Hedges v. Dixon Cnty.,
150 U.S. 182 (1893) 4

Heimeshoff
v. Hartford Life & Accident Ins. Co.,
No. 12-729, slip op. (U.S. Dec. 16, 2013) 1, 8, 15

Hindelang v. Hindelang,
No. 295722, 2011 WL 1564626
(Mich. Ct. App. Apr. 26, 2011) 13

Holland v. Florida,
130 S. Ct. 2549 (2010) 16

Holmberg v. Armbrecht,
327 U.S. 392 (1946) 6

Hoste v. Radio Corp. of Am.,
654 F.2d 11 (6th Cir. 1981) 11

Hot Wax, Inc. v. Turtle Wax, Inc.,
191 F.3d 813 (7th Cir. 1999) 19

Hutchinson v. Spanierman,
190 F.3d 815 (7th Cir. 1999) 11

Ikelionwu v. United States,
150 F.3d 233 (2d Cir. 1998) 11

INS v. Pangilinan,
486 U.S. 875 (1988) 4

Int'l Tel. & Tel. Corp.
v. Gen. Tel. & Elecs. Corp.,
518 F.2d 913 (9th Cir. 1975) 9

Irwin v. Dep't of Veterans Affairs,
498 U.S. 89 (1990) 15

Jackson v. Axton,
25 F.3d 884 (9th Cir. 1994) 11

Kenny v. McKenzie,
127 N.W. 597 (S.D. 1910) 20

L.W. Wentzel Implement Co. v. State Fin. Co.,
63 N.W.2d 525 (N.D. 1954) 20

Ledbetter v. Goodyear Tire & Rubber Co.,
550 U.S. 618 (2007) 1, 9

Link v. Wabash R.R.,
370 U.S. 626 (1962) 22

Lonchar v. Thomas,
517 U.S. 314 (1996) 4

Maksym v. Loesch,
937 F.2d 1237 (7th Cir. 1991) 19

Martin v. Consultants & Admin'rs, Inc.,
966 F.2d 1078 (7th Cir. 1992) 8, 10

Massey v. Jackson,
726 So.2d 656 (Ala. Civ. App. 1998) 20

McDaniel v. Messerschmidt,
382 P.2d 304 (Kan. 1963) 20

Merck & Co. v. Reynolds,
559 U.S. 633 (2010) 1

Miller v. French,
530 U.S. 327 (2000) 5

Missouri v. Jenkins,
515 U.S. 70 (1995) 4

Nat'l Ass'n of Gov't Emps.
v. City Pub. Serv. Bd. of San Antonio, Tex.,
40 F.3d 698 (5th Cir. 1994) 9

Nat'l R.R. Passenger Corp. v. Morgan,
536 U.S. 101 (2002) 9

Ne. Harbor Golf Club, Inc. v. Harris,
725 A.2d 1018 (Me. 1999) 12

Occidental Life Ins. Co. of Cal. v. EEOC,
432 U.S. 355 (1977) 9

Patterson v. Hewitt,
195 U.S. 309 (1904) 5, 6

Plaza Condo. Ass'n v. Wellington Corp.,
920 S.W.2d 51 (Ky. 1996) 12

Porter v. Warner Holding Co.,
328 U.S. 395 (1946) 4, 5

Precision Instrument Mfg. Co. v. Auto. Maint. Mach. Co.,
324 U.S. 806 (1945) 22

Pruitt v. City of Chicago,
472 F.3d 925 (7th Cir. 2006) 11, 19

Quackenbush v. Allstate Ins. Co.,
517 U.S. 706 (1996) 21

Russell v. Todd,
309 U.S. 280 (1940) 6

Schnack v. Valley Bank of Nev.,
291 F. App'x 168 (10th Cir. 2008) 12

Schultz v. Rector-Phillips-Morse, Inc.,
552 S.W.2d 4 (Ark. 1977) 12

Shafer v. Lambie,
667 N.E.2d 226 (Ind. Ct. App. 1996) 12

Short v. Am. Biomed. Grp., Inc.,
60 P.3d 518 (Okla. Civ. App. 2002) 13

Smith v. Caterpillar, Inc.,
338 F.3d 730 (7th Cir. 2003) 9

State ex rel. Gen. Elec. Co. v. Gaertner,
666 S.W.2d 764 (Mo. 1984) 13

Sundance Homes, Inc. v. Cnty. of DuPage,
746 N.E.2d 254 (Ill. 2001) 12

Sutton v. Davis,
916 S.W.2d 937 (Tenn. Ct. App. 1995) 13

Swann
v. Charlotte-Mecklenburg Bd. of Educ.,
402 U.S. 1 (1971) 4

Teamsters & Emp'rs Welfare Trust of Ill.
v. Gorman Bros. Ready Mix,
283 F.3d 877 (7th Cir. 2002) 15, 17, 19

Thirty-Four Corp. v. Sixty-Seven Corp.,
474 N.E. 2d 295 (Ohio 1984) 13

Thomas v. Arkoosh Produce, Inc.,
48 P.3d 1241 (Idaho 2002) 12

Thomaston v. Thomaston,
468 So.2d 116 (Ala. 1985) 12

Travis Co. v. Mayes,
36 So.2d 264 (Fla. 1948) 12

United States v. Brockamp,
519 U.S. 347 (1997) 16

United States v. Mack,
295 U.S. 480 (1935) 7

United States v. Matheson,
532 F.2d 809 (2d Cir. 1976) 12

Walker v. Ga. Farm Bureau Mut. Ins. Co.,
429 S.E.2d 289 (Ga. Ct. App. 1993) 12

Young v. Bradley,
142 F.2d 658 (6th Cir. 1944) 12

Young v. United States,
535 U.S. 43 (2002) 16

Constitutional Provision

U.S Const. art. III 3

Statutes & Rules

15 U.S.C. § 15b 9

15 U.S.C. § 26 9

17 U.S.C. § 507(b) 7

28 U.S.C. § 1658(a) 10

28 U.S.C. § 2401(a) 11

29 U.S.C. § 1381 10

29 U.S.C. § 1451(f)(1) 10

42 U.S.C. § 1981 11

42 U.S.C. § 2000e-2(a) 8

42 U.S.C. § 2000e-5 9

Fed. R. Civ. P. 2 17

Fed. R. Civ. P. 8(c)(1) 17

Other Authorities

27A Am. Jr. 2d *Equity* (2d ed. 2013) 14

Black's Law Dictionary (9th ed. 2009) 13

30A C.J.S. *Equity* (2013) 14

Vikas K. Didwania,
The Defense of Laches in Copyright Infringement Claims,
75 U. Chi. L. Rev. 1227 (2008) 8

Dan B. Dobbs,
Law of Remedies (2d ed. 1993) 13, 18, 19, 21

Douglas Laycock, *The Triumph of Equity*,
56 Law & Contemp. Probs. 53 (1993) 18

3 M. Nimmer & D. Nimmer,
Nimmer on Copyright (2013) 15

6 W.F. Patry, *Patry on Copyright* (2013) 15

31 Williston on Contracts (4th ed. 2013) 14

4 Wright & Miller,
Fed. Prac. & Proc. Civ. (3d ed. 2013) 18

INTEREST OF *AMICUS CURIAE*[1]

The Chamber of Commerce of the United States of America ("Chamber") is the world's largest business federation. The Chamber represents some 300,000 direct members and indirectly represents the interests of more than three million businesses and organizations of every size and in every industry sector and region of the country. A principal function of the Chamber is to advocate for the interests of its members by filing *amicus curiae* briefs in cases involving issues of concern to the nation's business community. The Chamber has participated as an *amicus curiae* in other cases before this Court involving issues related to time limitations on the assertion of legal claims. *See, e.g.*, *Heimeshoff v. Hartford Life & Accident Ins. Co.*, No. 12-729, slip op. (U.S. Dec. 16, 2013); *Merck & Co. v. Reynolds*, 559 U.S. 633 (2010); *Ledbetter v. Goodyear Tire & Rubber Co.*, 550 U.S. 618 (2007).

The Chamber and its members have a keen interest in the outcome of this case. In the decision below, the court of appeals properly held that petitioner's claims were barred by laches, a defense that "requires proof of (1) lack of diligence by the party against whom the defense is asserted, and (2) prejudice to the party asserting the defense." *Costello v. United States*, 365

---

[1] Pursuant to this Court's Rule 37.6, *amicus curiae* states that no counsel for any party authored this brief in whole or in part, and that no entity or person, aside from *amicus curiae*, its members, and its counsel, made any monetary contribution intended to fund the preparation or submission of this brief. Pursuant to this Court's Rule 37.3, the parties in this case have granted blanket consent to the filing of *amicus curiae* briefs.

U.S. 265, 282 (1961). The doctrine of laches has long provided protection against the assertion of stale and prejudicial claims. Nearly two centuries ago, Chief Justice Marshall wrote for this Court that "[f]rom the earliest ages, Courts of equity have refused their aid to those who have neglected, for an unreasonable length of time, to assert their claims." *Elmendorf v. Taylor*, 23 U.S. 152, 168 (1825). Petitioner's crabbed view of the laches defense contravenes this Court's precedent regarding its correct application. The Chamber has a strong interest in helping the Court avoid adopting the errors in petitioner's arguments so that this well-established defense remains available to its members who would be prejudiced by claims brought after unreasonable delays.

SUMMARY OF THE ARGUMENT

Unless Congress provides otherwise, the doctrine of laches may be applied even though an applicable statute of limitations has not run, and it may be applied to claims for legal relief as well as claims for equitable relief. Petitioner, however, asks this Court to break new ground and hold that a federal court can never apply the doctrine of laches if Congress has enacted a statute of limitations for the claim at issue. Although this case involves a claim of alleged copyright infringement, petitioner's proposed rule would have ramifications far beyond the copyright context. If it were adopted, her rule would lay the groundwork for plaintiffs to seek reversal of this Court's precedents applying laches to a wide range of federal claims—including employment discrimination claims, antitrust claims, and some ERISA claims—governed by statutes of limitations.

Going still further, petitioner would also have this Court restrict the doctrine of laches (in those few areas where her rule would allow it) to claims for equitable relief—even though the wall of separation between law and equity was torn down long ago. This Court should reject both of petitioner's proposed limits on the doctrine of laches as lacking merit and contradicting precedent.

ARGUMENT

I. Congress' Enactment Of A Statute Of Limitations For A Federal Claim Is Not A *Per Se* Bar To Applying The Doctrine Of Laches To That Claim.

When Congress enacts a statute of limitations governing a federal claim, it does not simultaneously enact an unwritten, absolute ban on a federal court's applying the equitable doctrine of laches to that claim. This Court should reject petitioner's sweeping proposition that "[w]here Congress has enacted a statute of limitations, courts may not use laches to constrict that time period." Pet. Br. 28.

a. The Constitution vests the "judicial Power of the United States" in this Court and "such inferior Courts as the Congress may" establish, U.S Const. art. III, § 1, and that power "extend[s] to all Cases, in Law and Equity," *id.* § 2. Accordingly, when an Article III court sits to decide a case or controversy within its jurisdiction, it has inherent power to grant appropriate equitable relief—or to deny any relief based on a properly asserted equitable defense. "Unless otherwise provided by statute, all the inherent equitable powers of the District Court are available for the proper and complete exercise of [its

equity] jurisdiction." *Porter v. Warner Holding Co.*, 328 U.S. 395, 398 (1946). *See also Swann v. Charlotte-Mecklenburg Bd. of Educ.*, 402 U.S. 1, 15 (1971) ("Once a right and a violation have been shown, the scope of a district court's equitable powers to remedy past wrongs is broad, for breadth and flexibility are inherent in equitable remedies.").

To be sure, Congress may by statute regulate the power of federal courts to dispense equity. "[I]t is well established that '[c]ourts of equity can no more disregard statutory and constitutional requirements and provisions than can courts of law.' " *INS v. Pangilinan*, 486 U.S. 875, 883 (1988) (quoting *Hedges v. Dixon Cnty.*, 150 U.S. 182, 192 (1893)). "Rather, 'courts of equity must be governed by rules and precedents no less than the courts of law.' " *Lonchar v. Thomas*, 517 U.S. 314, 323 (1996) (quoting *Missouri v. Jenkins*, 515 U.S. 70, 127 (1995) (Thomas, J., concurring)). *See also Guar. Trust Co. of N.Y. v. York*, 326 U.S. 99, 105 (1945) ("explicit Congressional curtailment of equity powers must be respected").[2]

Thus, this Court presumes that federal courts possess the powers of equity unless Congress has said otherwise in clear terms. *See Califano v. Yamasaki*, 442 U.S. 682, 705 (1979) ("Absent the clearest command to the contrary from Congress, federal courts retain their equitable power to issue

---

[2] Because Congress did not restrict the laches defense in cases under the Copyright Act, *see infra* pp. 7-8, this case raises no issue regarding constitutional limitations on Congress' ability to curtail the power of federal courts to grant equitable relief or to sustain an equitable defense.

injunctions in suits over which they have jurisdiction.").

As this Court explained in *Porter*, 328 U.S. at 398:

> Unless otherwise provided by statute, all the inherent equitable powers of the District Court are available for the proper and complete exercise of [its equitable] jurisdiction. ... Power is thereby resident in the District Court, in exercising this jurisdiction, "to do equity and to mould each decree to the necessities of the particular case." *Hecht Co. v. Bowles*, 321 U.S. 321, 329 [(1944)]. It may act so as to adjust and reconcile competing claims and so as to accord full justice to all the real parties in interest; .... Moreover, the comprehensiveness of this equitable jurisdiction is not to be denied or limited in the absence of a clear and valid legislative command. Unless a statute in so many words, or by a necessary and inescapable inference, restricts the court's jurisdiction in equity, the full scope of that jurisdiction is to be recognized and applied.

See also Miller v. French, 530 U.S. 327, 336 (2000) ("Like the Court of Appeals, we do not lightly assume that Congress meant to restrict the equitable powers of the federal courts ....").

b. Consistent with this Court's rule that a federal court may exercise the powers of equity absent a clear direction from Congress to the contrary, this Court's cases have expressly recognized that a federal court may entertain a laches defense—even though an applicable statute of limitations has not expired. In *Patterson v. Hewitt*, 195 U.S. 309 (1904),

this Court stated that "the weight of authority" provides and "the better rule" is that

> even if the statute of limitations be made applicable, in general terms to suits in equity, and not to any particular defense, the defendant may avail himself of the laches of the complainant, *notwithstanding the time fixed by the statute has not expired.* [*Id.* at 319 (emphasis added).]

See also Russell v. Todd, 309 U.S. 280, 288 n.1 (1940) ("Laches may bar equitable remedy before the local statute has run. ... Federal courts of equity have not considered themselves obligated to apply local statutes of limitations when they conflict with equitable principles ....") (citations omitted); *Gardner v. Panama R. Co.*, 342 U.S. 29, 30-31 (1951) ("[T]he existence of laches ... should not be determined merely by a reference to and a mechanical application of the statute of limitations.").

To be sure, in *Holmberg v. Armbrecht*, 327 U.S. 392 (1946), this Court said that if Congress "puts a limit upon the time for enforcing a right which it created, there is an end of the matter. The Congressional statute of limitation is definitive." *Id.* at 395. But that was *dictum* since Congress gave the federal claim at issue no limitations period. And even the happy life of that *dictum* was short, for just two pages later this Court said that if Congress had put a time limit on the claim it would have been subject to equitable tolling on the facts of the case. *Id.* at 397.

In another case this Court stated: "Laches within the term of the statute of limitations is no defense at law." *United States v. Mack*, 295 U.S. 480, 489

(1935). But that came three years before the merger of law and equity. Now that law and equity are one, equitable doctrines such as laches may be asserted in any federal civil action unless Congress provides otherwise. *See* Part III *infra*.

c. Applying these principles to the Copyright Act lays plain the error in petitioner's argument. Congress has enacted a statute of limitations in the Copyright Act, which provides: "No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued." 17 U.S.C. § 507(b). But Congress did *not* restrict the power of federal courts to apply the doctrine of laches to copyright-infringement claims brought within that period. Indeed, nothing in Section 507(b)'s text limits, or is inconsistent with, the availability of a laches defense. On the contrary, Congress made filing within three years a necessary, but not sufficient, for suit. The statute states that an action *may not* be maintained *unless* it is commenced within the three-year period; it does not say that an action *may* always be maintained *if* brought within three years. In other words, the three-year period sets a deadline but does not create a safe harbor.[3]

The mere fact that Congress has enacted a statute of limitations does not by itself permit the conclusion that Congress ruled out laches as a possible defense. Indeed, this fact "could be used to support the opposite conclusion: a legislature that places no

---

[3] The availability of laches as a defense to copyright infringement claims is especially appropriate in light of the very plaintiff-friendly claim accrual rule posited by petitioner. *See G.D. Searle & Co. v. Cohn*, 455 U.S. 404, 411 (1982).

deadline on suits is presumably not worried about the consequences for defendants of having to defend against suits brought long after the alleged wrongdoing." *Martin v. Consultants & Admin'rs, Inc.*, 966 F.2d 1078, 1100 (7th Cir. 1992) (Posner, J., concurring). *See also* Vikas K. Didwania, *The Defense of Laches in Copyright Infringement Claims*, 75 U. Chi. L. Rev. 1227, 1257 (2008) ("[T]here is little reason to assume that in stipulating a three-year statutory period, Congress intended such period to serve as a maximum and minimum time for filing suit.").

As this Court very recently reiterated, "[s]tatutes of limitations establish the period of time within which a claimant *must* bring an action." *Heimeshoff*, slip op. at 4 (emphasis added). They do not guarantee that an action *may* be brought within the time period.

d. This Court has applied the doctrine of laches to other federal claims for which Congress has enacted time limits, including employment discrimination claims, antitrust claims, and certain ERISA claims. Under petitioner's proposed rule, however, those cases would have been wrongly decided, because the statutes of limitations for such claims would have precluded any possible application of laches. This Court should reject petitioner's proposed rule so as to maintain consistency with its precedents outside the copyright context.

It is well established that laches may bar stale employment discrimination claims brought under Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e-2(a). *See Nat'l R.R. Passenger Corp. v.*

Morgan, 536 U.S. 101, 121 (2002) ("an employer may raise a laches defense" against a Title VII hostile work environment claim); *Occidental Life Ins. Co. of Cal. v. EEOC*, 432 U.S. 355, 373 (1977); *Smith v. Caterpillar, Inc.*, 338 F.3d 730, 732 (7th Cir. 2003) (defendant "presented a valid laches defense" to plaintiff's Title VII gender discrimination and retaliation claims); *Nat'l Ass'n of Gov't Emps. v. City Pub. Serv. Bd. of San Antonio, Tex.*, 40 F.3d 698, 708-712 (5th Cir. 1994); *Cleveland Newspaper Guild, Local 1 v. Plain Dealer Publ'g Co.*, 839 F.2d 1147, 1149-54 (6th Cir. 1988) (en banc); *see also Ledbetter*, 550 U.S. at 632. To bring a civil action under Title VII, the plaintiff must first file a charge with the EEOC within 180, or in some cases 300, days. *See* 42 U.S.C. §§ 2000e-5(e)(1), 5(f)(1).

In the antitrust context, this Court has indicated that a private action for injunctive relief under Section 16 of the Clayton Act, 15 U.S.C. § 26, may be barred by "equitable defenses such as laches." *California v. Am. Stores Co.*, 495 U.S. 271, 296 (1990). *See also Int'l Tel. & Tel. Corp. v. Gen. Tel. & Elecs. Corp.*, 518 F.2d 913, 927 (9th Cir. 1975) (holding that "the laches defense is available" in a private action under § 16), *disapproved of on other grounds, Am. Stores Co.*, 495 U.S. at 277-279. A four-year statute of limitations applies to antitrust claims. *See* 15 U.S.C. § 15b.

If petitioner's sweeping theory that laches cannot coexist with a limitations provision were to prevail, plaintiffs could argue that this Court's holding here abrogates *Morgan*, *Occidental Life*, and *American*

Stores, making the laches defense unavailable in Title VII and antitrust cases.

Petitioner's proposed rule would also immunize from dismissal unreasonably delayed claims for withdrawal liability under the Multiemployer Pension Plan Amendments Act of 1980 ("MPPAA"), 29 U.S.C. §§ 1381-1461. *See Bay Area Laundry & Dry Cleaning Pension Trust Fund v. Ferbar Corp. of Cal., Inc.*, 522 U.S. 192, 205 (1997) (employer may raise laches as defense to MPPAA claim); *In re Centric Corp.*, 901 F.2d 1514, 1519-20 (10th Cir. 1990) (MPPAA claim barred by laches); 29 U.S.C. § 1451(f)(1) (six-year statute of limitations for MPPAA claims).

Indeed, because a default four-year statute of limitations now applies to all civil actions created by statute after December 1, 1990, *see* 28 U.S.C. § 1658(a), petitioner's theory means that laches would not be available for any civil action created since that date or in the future unless Congress affirmatively provides (1) that there is no statute of limitations for the civil action, or (2) that laches is available—the opposite of the presumption with which Congress now operates.

e. The overwhelming weight of other authority—including circuit court cases, state court cases, and treatises—similarly holds or recognizes that a party may raise a laches defense within the period of an applicable statute of limitations.

"[T]here is plenty of authority for applying laches in cases governed by a statute of limitations." *Martin*, 966 F.2d at 1100 (Posner, J., concurring). Such authority can be found in circuit court cases

presenting copyright-infringement claims. *See, e.g.*, *Danjaq LLC v. Sony Corp.*, 263 F.3d 942, 954 (9th Cir. 2001) ("We have ... determined that laches may sometimes bar a statutorily timely claim.") (copyright case); *Jackson v. Axton*, 25 F.3d 884, 888 (9th Cir. 1994) ("[L]aches may apply whether or not any statutory limitations period runs.") (copyright case); *Hoste v. Radio Corp. of Am.*, 654 F.2d 11, 11-12 (6th Cir. 1981) (remanding to determine whether laches barred claims for damages accruing within the Copyright Act's statute of limitations). It also appears in other intellectual property contexts, such as cases raising patent-infringement claims. *See, e.g.*, *A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020, 1030 (Fed. Cir. 1992) (en banc) ("Aukerman is in error in its position that, where an express statute of limitations applies against a claim, laches cannot apply *within* the limitation period.") (patent case). And it is firmly established in many non-intellectual-property contexts. *See Pruitt v. City of Chicago*, 472 F.3d 925, 928 (7th Cir. 2006) (rejecting argument that laches "may not be used to shorten a statutory period of limitations") (claims under Title VII and 42 U.S.C. § 1981); *Hutchinson v. Spanierman*, 190 F.3d 815, 823 (7th Cir. 1999) ("[R]egardless of which statute of limitations should apply ..., we conclude that the doctrine of laches bars Robert Hutchinson from establishing any claim he may have had to the art collection.") (applying Indiana law); *Ikelionwu v. United States*, 150 F.3d 233, 237-238 (2d Cir. 1998) (laches defense available as to claim for return of forfeited property even though applicable statute of limitations, 28 U.S.C. § 2401(a), had not run); *A.C. Aukerman Co.*, 960 F.2d

at 1030 ("In other areas of our jurisdiction, laches is routinely applied within the prescribed statute of limitations period for bringing the claim.") (citing *Cornetta v. United States*, 851 F.2d 1372, 1376 (Fed. Cir. 1988) (en banc) (military pay case)); *United States v. Matheson*, 532 F.2d 809, 820-821 (2d Cir. 1976) (laches barred executor of decedent's estate from raising issue of decedent's alleged expatriation in timely-filed suit for tax refund); *Young v. Bradley*, 142 F.2d 658, 662 (6th Cir. 1944) ("[T]he statute of limitations does not bar these claims; they are suspended during the pendency of reorganization proceedings. However, laches may exist irrespective of the statute of limitations") (citation omitted); *see also Schnack v. Valley Bank of Nev.*, 291 F. App'x 168, 173 (10th Cir. 2008) (rejecting argument "that laches cannot bar [plaintiff's] suit because the statute of limitations had not yet run") (diversity case). The decision below is no outlier.

Many state courts, too, have confirmed that laches may be asserted even if the statute of limitations has not yet run. *See Thomaston v. Thomaston*, 468 So.2d 116, 121 (Ala. 1985); *Schultz v. Rector-Phillips-Morse, Inc.*, 552 S.W.2d 4, 13 (Ark. 1977); *Travis Co. v. Mayes*, 36 So.2d 264, 267 (Fla. 1948); *Walker v. Ga. Farm Bureau Mut. Ins. Co.*, 429 S.E.2d 289, 291 (Ga. Ct. App. 1993); *Thomas v. Arkoosh Produce, Inc.*, 48 P.3d 1241, 1249 (Idaho 2002); *Sundance Homes, Inc. v. Cnty. of DuPage*, 746 N.E.2d 254, 262 (Ill. 2001); *Shafer v. Lambie*, 667 N.E.2d 226, 231 (Ind. Ct. App. 1996); *Plaza Condo. Ass'n v. Wellington Corp.*, 920 S.W.2d 51, 54 (Ky. 1996); *Ne. Harbor Golf Club, Inc. v. Harris*, 725 A.2d 1018, 1023 (Me. 1999) (portion of claim of usurpation of corporate opportunity not

barred by statute of limitations held barred by laches); *Hindelang v. Hindelang*, No. 295722, 2011 WL 1564626, at *2 (Mich. Ct. App. Apr. 26, 2011); *State ex rel. Gen. Elec. Co. v. Gaertner*, 666 S.W.2d 764, 767 (Mo. 1984); *In re Giacomini*, 842 A.2d 70, 75 (N.H. 2004); *Thirty-Four Corp. v. Sixty-Seven Corp.*, 474 N.E. 2d 295, 298 (Ohio 1984); *Short v. Am. Biomed. Grp., Inc.*, 60 P.3d 518, 520 (Okla. Civ. App. 2002) ("[A]n action may be barred on account of the laches of the complainant for a period shorter than the statutory period of limitation."); *Fitzgerald v. O'Connell*, 386 A.2d 1384, 1387 (R.I. 1978) ("[W]e ... hold that the defense of laches may be asserted in civil actions seeking equitable relief notwithstanding the fact that the period fixed by the applicable statute of limitation has not expired."); *Sutton v. Davis*, 916 S.W.2d 937, 941 (Tenn. Ct. App. 1995) ("[L]aches may bar a claim before the running of the applicable statute of limitation."); *Caldwell v. Barnes*, 975 S.W.2d 535, 538-539 (Tex. 1998).

Some of these state courts articulated the rule to be that, if "the delay in bringing suit is less than the applicable limitation period, laches will constitute a bar to suit only if the delay was unreasonable and prejudicial." *In re Giacomini*, 842 A.2d at 75. Of course, those two elements—unreasonable delay and prejudice—are not extra conditions; they are the usual components of a laches defense. *See* Dan B. Dobbs, *Law of Remedies* § 2.4(4), at 103 (2d ed. 1993) ("In its most orthodox form, laches is unreasonable delay by the plaintiff in prosecuting a claim or protecting a right of which the plaintiff knew or should have known, and under circumstances causing prejudice to the defendant."); *Black's Law*

Dictionary (9th ed. 2009) (laches: "Unreasonable delay in pursuing a right or claim—almost always an equitable one—in a way that prejudices the party against whom relief is sought.").

The rule applied by these many state courts is also reflected in commonly consulted treatises. One such treatise states that

> whether a plaintiff asserts rights short of the statute of limitations is not itself determinative as to whether the defense of laches applies. Delay short of the statutory period could be held to be a sufficient delay if other elements of doctrine of laches are met. Thus relief may be denied, although the statutory period has not elapsed, where there has been an inexcusable delay and special circumstances exist which would render it inequitable to enforce the right ....

30A C.J.S. *Equity* § 165 (2013) (footnotes omitted).

Other treatises agree. *See* 27A Am. Jr. 2d *Equity* § 163 (2d ed. 2013) ("[T]here is authority holding that laches may apply regardless of whether an existing statutory limitation period has run. It has been stated that, just as various tolling doctrines can be used to lengthen the period for suit specified in a statute of limitations, so laches can be used to contract it.") (footnotes omitted); 31 Williston on Contracts § 79:11 (4th ed. 2013) ("The defense of laches is available quite apart and separate from the defense of the running of the statute of limitations. As a defense it does not arise merely because of lapse of time ....").

The leading copyright treatise states that "laches has an illustrious pedigree across the circuits as a defense to a charge of copyright infringement." 3 M. Nimmer & D. Nimmer, *Nimmer on Copyright*, § 12.06[A] (2013). And even the Patry treatise, which takes the position that laches is not available "within the limitations period," qualifies that statement with a "But see" citation to more than 20 contrary cases. 6 W.F. Patry, *Patry on Copyright* § 20:55 & n.1 (2013).

II. This Court's Equitable Tolling Cases Further Support The Conclusion That Laches May Bar A Claim Even If A Statute Of Limitations Applies.

This Court's cases on the doctrine of equitable tolling confirm that there is no merit to petitioner's argument that, if Congress has enacted a time limit, equitable doctrines cannot adjust the limit. When a federal court applies equitable tolling to a statute of limitations, it permits a suit to go forward after the statute has run. Equitable tolling thus is "the mirror image" of laches. *Teamsters & Emp'rs Welfare Trust of Ill. v. Gorman Bros. Ready Mix*, 283 F.3d 877, 881 (7th Cir. 2002). Just as equitable tolling is "used to lengthen the period for suit specified in a statute of limitations, so laches can be used to contract it." *Id.*

Under a long line of this Court's cases, equitable tolling is presumed to be available to a plaintiff in a case subject to a statute of limitations. "Time requirements in lawsuits between private litigants are customarily subject to 'equitable tolling.' " *Irwin v. Dep't of Veterans Affairs*, 498 U.S. 89, 95 (1990). *Accord Heimeshoff*, slip op. at 15. Indeed, this Court has observed it is "hornbook law" that equitable

tolling is available "unless tolling would be inconsistent with the text of the relevant statute. Congress must be presumed to draft limitations periods in light of this background principle." *Young v. United States*, 535 U.S. 43, 49-50 (2002) (quotations marks and citations omitted).

The fact that Congress has enacted a statute of limitations does not, of course, bar a federal court from applying equitable tolling—the whole point of the doctrine is to toll the statute. *See United States v. Brockamp*, 519 U.S. 347, 350 (1997) (tolling available unless there is "good reason to believe that Congress did *not* want the equitable tolling doctrine to apply"); *see also Holland v. Florida*, 130 S. Ct. 2549, 2560-62 (2010) (AEDPA's one-year statute of limitations for federal habeas claims subject to equitable tolling). Accordingly, this Court explained that its precedents

> fully support the conclusion that the mere fact that a federal statute providing for substantive liability also sets a time limitation upon the institution of suit does not restrict the power of the federal courts to hold that the statute of limitations is tolled under certain circumstances not inconsistent with the legislative purpose.

Am. Pipe & Constr. Co. v. Utah, 414 U.S. 538, 559 (1974).

This Court's presumption that equitable tolling is available applies equally to laches—tolling's doctrinal mirror image. Just as Congress may direct the federal courts not to apply equitable tolling to a particular limitations period, so may it instruct them not to apply laches to certain claims. Absent such

instruction, however, courts retain the power to apply either equitable doctrine in proper circumstances.

Realizing the implications of this Court's equitable tolling cases for her attack on laches, petitioner argues that Congress' enactment of a statute of limitations displaces laches but not equitable tolling. *See* Pet. Br. 32-33. But there is no principled basis for that distinction. If the fact that Congress has set a time limit bars laches, it should also bar tolling. Petitioner cannot have it both ways. "What is sauce for the goose (the plaintiff seeking to extend the statute of limitations) is sauce for the gander (the defendant seeking to contract it)." *Teamsters & Emp'rs Welfare Trust*, 283 F.3d at 882.

The application of laches to bar a claim for which Congress has enacted a statute of limitations thus raises no "separation of powers" issue. *Contra* Pet. Br. 24. Congress can regulate the laches defense. But where Congress has not done so, a court may exercise its inherent equitable power to apply laches to a claim when warranted. Each branch thus operates well within the proper limits of its authority, far from implicating the other's.

III. Laches May Bar Claims For Legal Relief.

Petitioner argues that "laches is categorically unavailable to bar legal remedies" because it is "an equitable doctrine." Pet. Br. 38. Petitioner is wrong. A meritorious laches defense may bar claims for legal relief just as it may bar claims for equitable relief.

Law and equity merged in 1938. There is only one form of action, the civil action, in federal practice today. *See* Fed. R. Civ. P. 2. The panoply of defenses

is available in such actions. *See* Fed. R. Civ. P. 8(c)(1) (including laches and statute of limitations on the list of affirmative defenses). Accordingly, "the equitable defenses are now generally available both at law and in equity." Douglas Laycock, *The Triumph of Equity*, 56 Law & Contemp. Probs. 53, 70 (1993).

With the unification of law and equity, a federal court may, in appropriate circumstances, bring its inherent equitable power to bear in any civil case. "Except in certain limited contexts, the civil action prescribed by the federal rules is the proper medium for exercising any civil power the district courts may possess." 4 Wright & Miller, Fed. Prac. & Proc. Civ. § 1042 (3d ed. 2013) (footnotes omitted). In the post-merger world, " 'the court must give the relief to which the parties are entitled on the facts, applying the rules of both law and equity as a single body of principles and precedents.' " *Id.* § 1041 (quoting *Groome v. Steward*, 142 F.2d 756, 756 (D.C. Cir. 1944)). Today, equity's "maxims may have an impact on civil actions that formerly would have been actions at law and therefore beyond their scope of application." *Id.* § 1043. *See also* Dobbs, *Remedies* § 2.6(1), at 149 (federal courts post-merger "enjoy both the powers of the old chancellors and the powers of the old law judges").

The doctrine of laches was not shut out when law and equity became one. On the contrary, "following the merger of law and equity," laches "became part of the general body of rules governing relief in the federal court system." *Envtl. Def. Fund, Inc. v. Alexander*, 614 F.2d 474, 478 (5th Cir. 1980). Thus,

laches is a possible defense in any civil action absent a contrary congressional directive.

> Laches is an equitable doctrine but one increasingly applied in cases at law as well. Not only is there a long tradition of applying equitable defenses in cases at law ... but with the merger of law and equity there is no longer a good reason to distinguish between the legal and equitable character of defenses ....

Maksym v. Loesch, 937 F.2d 1237, 1247-48 (7th Cir. 1991) (parenthetical and citations omitted). As the Dobbs treatise states, the laches defense may "be applied in a purely 'legal' claim, such as one for money, provided it goes to the merits of the claim." Dobbs, *Remedies* § 2.6(2), at 152. *See also id.* § 2.4(4), at 105 (unreasonable delay giving rise to laches may qualify as estoppel or waiver, which "are substantive defenses that reach all remedies, both legal and equitable" and "may defeat the plaintiff's claim even when the plaintiff seeks purely legal relief").

Laches therefore can shorten a limitations period "regardless of whether the suit is at law or in equity, because, as with many equitable defenses, the defense of laches is equally available in suits at law." *Teamsters & Emp'rs Welfare Trust*, 283 F.3d at 881. *See also Pruitt*, 472 F.3d at 928 (rejecting the argument "that laches applies only to suits in equity") (Title VII and § 1981 claims); *Hot Wax, Inc. v. Turtle Wax, Inc.*, 191 F.3d 813, 822 (7th Cir. 1999) ("courts increasingly apply [laches] in cases at law in which plaintiffs seek damages") (trademark claim); *Cornetta*, 851 F.2d at 1376 (in the Federal Circuit, laches "has been applied to claims for back pay by

government personnel brought even before the limitations period has run, notwithstanding that these are actions at law, not equity"); *Gruca v. U.S. Steel Corp.*, 495 F.2d 1252, 1253-54 (3d Cir. 1974) (laches barred "veteran's claim for legal and equitable relief under the Military Selective Service Act of 1967, 50 App. U.S.C. § 459").[4]

Because laches may be applied to claims for legal relief and claims for equitable relief, consideration of

---

[4] State courts have likewise rejected petitioner's contention that laches cannot bar claims for legal remedies. *See Massey v. Jackson*, 726 So.2d 656, 659 (Ala. Civ. App. 1998) ("[T]he Rules of Civil Procedure, having merged law and equity practice in this state, have empowered trial courts to consider not only legal defenses to ejectment claims, but equitable defenses as well."); *Dep't of Banking & Fin. v. Wilken*, 352 N.W.2d 145, 149 (Neb. 1984) ("The common-law rule is that equitable defenses cannot be used to defeat an action at law based upon contract; however, we have not accepted that position, but, on the contrary, we have held that any defense, whether it be legal or equitable, may be set up in any case."); *Fibreboard Paper Prods. Corp. v. E. Bay Union of Machinists*, 227 Cal. App. 2d 675, 728 (Dist. Ct. App. 1964) ("[A] defendant may set up as many defenses as he may have, regardless of the question as to whether they are of a legal or equitable nature, because the distinction which exists under the common law between actions at law and suits in equity, and the forms thereof, ha[s] been abolished."); *McDaniel v. Messerschmidt*, 382 P.2d 304, 307 (Kan. 1963) ("Although plaintiff contends the doctrine of laches does not apply to pure actions at law, which he claims this to be, and applies only to suits in equity, our cases do not support his theory."); *L.W. Wentzel Implement Co. v. State Fin. Co.*, 63 N.W.2d 525, 527-528 (N.D. 1954); *Kenny v. McKenzie*, 127 N.W. 597, 601 (S.D. 1910) ("By the great weight of authority and decision under Code systems similar to our own any facts constituting a defense under the rules of equity or at law may be pleaded in a civil action ....").

the doctrine should not, as the government contends, be held in abeyance for the remedies stage of a case. *See* U.S. *Amicus* Br. 28-29. In proper circumstances, a court may hold that a meritorious laches defense bars a claim in its entirety such that no relief is granted. Consideration of the doctrine therefore should occur along with other merits issues. *See* Dobbs, *Remedies* § 2.6(2), at 152 (the laches defense "often does go to the merits" of a claim).

It is true that in *County of Oneida v. Oneida Indian Nation*, 470 U.S. 226 (1985), this Court commented in a footnote that applying "the equitable defense of laches in an action at law would be novel indeed." *Id.* at 244 n.16. But the comment was dictum. The Court did "not reach" the issue of laches because the issue had not been raised on appeal. *Id.* at 244-245. *See also id.* at 244 n.16 ("the issue of laches is not before us"). Furthermore, the Court offered better developed reasons for eschewing laches that had to do with the rights of, and statutes pertaining to, Indians and Indian tribes. *See id.*

Contrary to the *County of Oneida* dictum, applying an equitable doctrine in an action at law is not a novelty. In fact, it would be anomalous to hold that laches cannot apply to claims for legal relief simply because the doctrine derives from equity. Such a holding would contravene numerous opinions by this Court holding that equitable doctrines can apply whether the case or claim at issue sounds in law, equity, or a combination of the two. Such doctrines include abstention,[5] *forum non conveniens*,[6] the

---

[5] *See Quackenbush v. Allstate Ins. Co.*, 517 U.S. 706, 718 (1996) ("Though we have thus located the power to abstain in

"unclean hands" defense,[7] the *in pari delicto* (in equal fault) defense,[8] the power to set aside fraudulent judgments,[9] the power to award attorney's fees for bad faith litigation conduct,[10] and the power to dismiss an action for failure to prosecute.[11]

These doctrines are not relegated to one side of the federal courthouse because they grew out of equity.

---

the historic discretion exercised by federal courts 'sitting in equity,' ... we have recognized that the authority of a federal court to abstain from exercising its jurisdiction extends to all cases in which the court has discretion to grant or deny relief. Accordingly, we have not limited the application of the abstention doctrines to suits for injunctive relief.") (citation omitted).

[6] *See Gulf Oil Corp. v. Gilbert*, 330 U.S. 501, 505 n.4 (1947) ("application [of *forum non conveniens*] does not depend on whether the action is at law or in equity") (citations omitted).

[7] *See Precision Instrument Mfg. Co. v. Auto. Maint. Mach. Co.*, 324 U.S. 806, 814-820 (1945) (unclean hands defense barred both patent infringement claim and breach of contract claim).

[8] *See Bateman Eichler, Hill Richards, Inc. v. Berner*, 472 U.S. 299, 310 (1985) ("a private action for damages [for securities fraud] may be barred on" *in pari delicto* grounds).

[9] *See Hazel-Atlas Glass Co. v. Hartford-Empire Co.*, 322 U.S. 238, 248 (1944) ("Equitable relief against fraudulent judgments is not of statutory creation. It is a judicially devised remedy ....").

[10] *See Hall v. Cole*, 412 U.S. 1, 4-5 (1973) ("[F]ederal courts, in the exercise of their equitable powers, may award attorneys' fees when the interests of justice so require. Indeed, the power to award such fees is part of the original authority of the chancellor to do equity in a particular situation, and federal courts do not hesitate to exercise this inherent equitable power ....") (quotation marks and citations omitted).

[11] *See Link v. Wabash R.R.*, 370 U.S. 626, 629 (1962).

And there is no principled basis to carve out laches from that list, such that it alone among the equitable doctrines would be confined to claims for equitable relief.

CONCLUSION

For the foregoing reasons, the judgment of the court of appeals should be affirmed.

Respectfully submitted,

H. CHRISTOPHER BARTOLOMUCCI
Counsel of Record
BANCROFT PLLC
1919 M Street, NW, Suite 470
Washington, DC 20036
(202) 234-0090
cbartolomucci@bancroftpllc.com

KATE COMERFORD TODD
TYLER R. GREEN
NATIONAL CHAMBER
LITIGATION CENTER, INC.
1615 H Street, NW
Washington, DC 20062

Counsel for Amicus Curiae

December 23, 2013

AMICUS CURIAE BRIEF

Supreme Court, U.S.
FILED
DEC 23 2013
OFFICE OF THE CLERK

No. 12-1315

IN THE
Supreme Court of the United States

PAULA PETRELLA,

Petitioner,

v.

METRO-GOLDWYN-MAYER, INC., ET AL.,

Respondents.

ON WRIT OF CERTIORARI TO
THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

BRIEF OF DISH NETWORK L.L.C., ECHOSTAR CORP., DIRECTV, TIVO INC., COMPUTER & COMMUNICATIONS INDUSTRY ASS'N, CONSUMER ELECTRONICS ASS'N, SATELLITE BROADCASTING & COMMUNICATIONS ASS'N, UNITED STATES TELECOM ASS'N, AND PUBLIC KNOWLEDGE AS AMICI CURIAE IN SUPPORT OF RESPONDENTS

Annette L. Hurst
ORRICK, HERRINGTON
& SUTCLIFFE LLP
405 Howard Street
San Francisco, CA 94105

E. Joshua Rosenkranz
Counsel of Record
ORRICK, HERRINGTON
& SUTCLIFFE LLP
51 West 52nd Street
New York, NY 10019
(212) 506-5000
jrosenkranz@orrick.com

Eric A. Shumsky
Rachel M. McKenzie
ORRICK, HERRINGTON
& SUTCLIFFE LLP
1152 15th Street, NW
Washington, DC 20005

Counsel for Amici Curiae

TABLE OF CONTENTS

Page

TABLE OF AUTHORITIES ii

INTEREST OF AMICI CURIAE 1

INTRODUCTION AND SUMMARY OF ARGUMENT 5

ARGUMENT 10

I. WITHOUT LACHES, THE PROSPECT OF DELAYED INFRINGEMENT SUITS WILL CHILL INNOVATION 10

A. Dual-Use Technologies Are Particularly Vulnerable To Delayed Infringement Suits 10

B. Endless Exposure To Liability Discourages Innovation 15

II. IN THE ABSENCE OF LACHES, THE STATUTE OF LIMITATIONS PROVIDES INSUFFICIENT REPOSE 21

CONCLUSION 33

TABLE OF AUTHORITIES

Page(s)

Cases

A.C. Aukerman Co. v. R.L. Chaides Constr. Co.,
960 F.2d 1020 (Fed. Cir. 1992) 27, 28

Anderson v. Pac. Coast S.S. Co.,
225 U.S. 187 (1912) 31, 32

Arista Records LLC v. Lime Group LLC,
784 F. Supp. 2d 313 (S.D.N.Y. 2011) 17

Astoria Fed. Sav. & Loan Ass'n v. Solimino,
501 U.S. 104 (1991) 8, 31

Badger v. Badger,
2 Wall. 87 (1864) 26

Bowman v. Wathen,
42 U.S. 189 (1843) 29, 31

Burnett v. New York Cent. R.R. Co.,
380 U.S. 424 (1965) 21

Callaghan v. Myers,
128 U.S. 617 (1888) 31

Costello v. United States,
365 U.S. 265 (1961) 26

Danjaq LLC v. Sony Corp.,
263 F.3d 942 (9th Cir. 2001) 5, 24, 27

Gardner v. Panama R. Co.,
342 U.S. 29 (1951) 26

Page(s)

Gershwin Publ'g Corp. v. Columbia Artists Mgmt., Inc., 443 F.2d 1159 (2d Cir. 1971) 11

Gilmore v. Anderson, 38 F. 846 (S.D.N.Y. 1889) 31

Haas v. Leo Feist, Inc., 234 F. 105 (S.D.N.Y. 1916) 28, 31

Hayward v. Eliot Nat'l Bank, 96 U.S. 611 (1877) 25

Holland v. Florida, 130 S. Ct. 2549 (2010) 32

Holmberg v. Ambrecht, 327 U.S. 392 (1946) 26

Hot Wax, Inc. v. Turtle Wax, Inc., 191 F.3d 813 (7th Cir. 1999) 25

Kalem Co. v. Harper Brothers, 222 U.S. 55 (1911) 31

Kepner-Tregoe, Inc. v. Exec. Dev., Inc., 79 F. Supp. 2d 474 (D.N.J. 1999) 25, 27, 28

Lane & Bodley Co. v. Locke, 150 U.S. 193 (1893) 27

Mackall v. Casilear, 137 U.S. 556 (1890) 26

Page(s)

Martin v. Gray,
142 U.S. 236 (1891) 26

Menendez v. Holt,
128 U.S. 514 (1888) 27

Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.,
545 U.S. 913 (2005) 4, 11, 12, 16

Nat'l R.R. Passenger Corp. v. Morgan,
536 U.S. 101 (2002) 23

Order of Railroad Telegraphers v. Railway Express Agency, 321 U.S. 342 (1944) 21, 22

Ory v. McDonald,
141 F. App'x 581 (9th Cir. 2005) 24, 27

Paramount Pictures Corp. v. ReplayTV,
298 F. Supp. 2d 921 (C.D. Cal. 2004) 12

Penn Mut. Life Ins. Co. v. City of Austin,
168 U.S. 685 (1898) 26, 29

Richards v. Mackall,
124 U.S. 183 (1888) 31

Roley v. New World Pictures, Ltd.,
19 F.3d 479 (9th Cir. 1994) 23

Scripps-Howard Radio, Inc. v. FCC,
316 U.S. 4 (1942) 32

Page(s)

Shaw v. R.R. Co.,
101 U.S. 557 (1879) 32

Sony Corp. of Am. v. Universal City Studios, Inc.,
464 U.S. 417 (1984) ..... *passim*

S. Pac. Co. v. Bogert,
250 U.S. 483 (1919) 25

Stone v. Williams,
970 F.2d 1043 (2d Cir. 1992) 23

Taylor v. Meirick,
712 F.2d 1112 (7th Cir. 1983) 22

Twentieth Century Music Corp. v. Aiken,
422 U.S. 151 (1975) 8

United States v. Kubrick,
444 U.S. 111 (1979) 21

United States v. Rodgers,
461 U.S. 677 (1983) 32

Universal City Studios, Inc. v. Sony Corp. of Am.,
659 F.2d 963 (9th Cir. 1981) 15

Wood v. Carpenter,
101 U.S. 135 (1879) 21, 22

Statutes

15 U.S.C. § 1115 30

Page(s)

17 U.S.C. § 501 31

17 U.S.C. § 504 ..... 16, 17

17 U.S.C. § 507 ..... 22, 31

35 U.S.C. § 271 30

35 U.S.C. § 282 30

Other Authorities

3 *Nimmer on Copyright* § 12.04 13

3 *Nimmer on Copyright* § 12.06 ..... 23, 31

6 *Patry on Copyright* § 20.23 23

Copyright Infringements (Audio and Video Recorders): Before the S. Comm. on the Judiciary, 97th Cong. (1981-82) 13, 14, 15, 20

Comments of Computer & Communication Indus. Ass'n, *In re Request for Comments on Dep't of Commerce Green Paper, Copyright Policy, Creativity, and Innovation in the Digital Economy*, No. 130927852-3852-01 (Nov. 13, 2013), *available at* http://www.ntia.doc.gov/files/ntia/ccia-comments.pdf 18, 19

Dep't of Commerce Internet Policy Task Force, *Copyright Policy, Creativity, and Innovation in the Digital Economy* (July 2013), http://www.uspto.gov/news/publications/

Page(s)

copyrightgreenpaper.pdf 16, 17, 18

H.R. Rep. No. 84-2419 (1956) 32

J. Cam Barker, *Grossly Excessive Penalties in the Battle Against Illegal File-Sharing: The Troubling Effects of Aggregating Minimum Statutory Damages for Copyright Infringement*, 83 Tex. L. Rev. 525 (2004) 18

Lawrence Lessig, *Free Culture: How Big Media Uses Technology and the Law to Lock Down Culture and Control Creativity* (2004) 16

Mark A. Lemley & R. Anthony Reese, *Reducing Digital Copyright Infringement Without Restricting Innovation*, 56 Stan. L. Rev. 1345 (2004) 12, 18, 19, 20

Mark A. Lemley, *Should A Licensing Market Require Licensing?* 70-SPG Law & Contemp. Problems 185 (2007) 18, 19

Matthew Le Merle, et al., Booz & Co., *The Impact of U.S. Internet Copyright Regulations on Early-Stage Investment: A Quantitative Study* (2011), http://www.booz.com/media/file/BoozCo-Impact-US-Internet-Copyright-Regulations-Early-Stage-Investment.pdf 19

Michael A. Carrier, *Copyright and Innovation: The Untold Story*, 2012 Wis. L. Rev. 891 (2012) 19

Page(s)

Michael A. Carrier, *Innovation for the 21st Century: Harnessing the Power of Intellectual Property and Antitrust Law* (2009) 18, 20

Oliver Wendel Holmes, *The Path of the Law*, 10 Harv. L. Rev. 457 (1897) 26

Pamela Samuelson & Tara Wheatland, *Statutory Damages in Copyright Law: A Remedy in Need of Reform*, 51 Wm. & Mary L. Rev. 439 (2009) 18

Stephanie Berg, *Remedying the Statutory Damages Remedy for Secondary Copyright Infringement Liability: Balancing Copyright and Innovation in the Digital Age*, 56 J. Copyright Soc'y U.S.A. 265 (2009) 17

The Act of Limitation with a Proviso, 32 Hen. 8, c. 2 (1540) 21

INTEREST OF AMICI CURIAE

This brief is being filed on behalf of DISH Network L.L.C., EchoStar Corporation, DIRECTV, TiVo Inc., the Computer & Communications Industry Association (CCIA), the Consumer Electronics Association (CEA), the Satellite Broadcasting & Communications Association (SBCA), the United States Telecom Association (USTelecom), and Public Knowledge. Amici represent creators, distributors, and consumers of technology.[1]

Since its founding in the early 1980s, DISH has reinvented the distribution of television programming. It is an industry leader in developing and bringing to market new technology, and its award-winning innovations include the Hopper with Sling Whole-Home HD DVR (a digital video recorder that enables customers to watch television programs from smartphones, tablets, and computers) and the Tailgater, a portable satellite dish that allows customers to watch television in recreational vehicles.

EchoStar is a global provider of satellite operations, video delivery solutions, and broadband satellite technologies and services for home and office. EchoStar designs, develops, and distributes digital set-top boxes and related products and tech-

---

[1] The parties have consented to the filing of this brief. No counsel for a party authored this brief in whole or in part, and no counsel or party made a monetary contribution intended to fund the preparation or submission of this brief. No person other than amici curiae or their counsel made a monetary contribution to its preparation or submission.

nology for satellite TV service providers, international telecommunication and cable companies, and individual consumers.

DIRECTV is a leading provider of digital television entertainment. Its vision is to deliver the best video experience for its customers, anytime and anywhere. Its primary strategy for achieving this vision is to combine unique and compelling content along with technological innovation and excellent customer service.

TiVo is a leading developer and provider of software and technology for advanced television services for set-top boxes, tablets, smartphones, and other consumer electronics. TiVo focuses on providing a user experience that enables the search, navigation, and access of content across disparate sources, including linear television and on-demand video in a single, easy, intuitive user experience. TiVo provides these capabilities both inside and outside the home through devices such as DVRs, traditional set-top boxes, tablets, computers, and smartphones. Since prior to the introduction of its first commercial product in 1999, TiVo has developed significant intellectual property applicable to the advanced television market and remains focused on continued innovation and protection of its intellectual property.

CCIA represents over 20 companies in the computer, internet, information technology, and telecommunications industries. Ranging in size from small entrepreneurial firms to some of the largest

companies in these industries, CCIA members employ nearly half a million workers and generate approximately $250 billion in annual revenue. CCIA promotes open markets, open systems, open networks, and full, fair, and open competition in the computer, internet, information technology, and telecommunications industries. CCIA members believe that intellectual property protection is a vital component of the innovation dynamic but that excessive protection can be as harmful as too little. The vigorous competition and interactive dynamic nature of innovation, which are the keys to success in all technology industries, require a well-balanced system.

CEA is the preeminent trade association promoting growth in the U.S. consumer electronics industry. CEA members lead the consumer electronics industry in the development, manufacturing and distribution of audio, video, mobile electronics, communications, information technology, multimedia and accessory products, as well as related services, that are sold to consumers. Its more than 2,000 corporate members contribute more than $125 billion to the U.S. economy.

SBCA is the national trade organization representing all segments of the consumer satellite industry, including providers of video and broadband services and manufacturers, installers, and distributors of satellite equipment. SBCA provides industry leadership in protecting the rights of consumers and technicians to access the best in

satellite delivered services and assuring it's available at a fair price.

USTelecom is the premier trade association representing service providers and suppliers for the telecommunications industry. USTelecom's member companies offer a wide range of services across communications platforms, including voice, video, and data over local exchange, long distance, wireless, Internet, and cable. These companies range from large, publicly traded companies to small rural cooperatives. USTelecom advocates on behalf of its members before Congress, regulators, and the courts for policies that will enhance the economy and facilitate a robust telecommunications industry.

Public Knowledge is a nonprofit public interest organization that works to defend citizens' rights in the emerging digital culture. Its primary mission is to promote online innovation, protect the legal rights of all users of copyrighted works, and ensure that emerging copyright and telecommunications policies serve the public interest.

As representatives of creators, distributors, and consumers of technology, amici have an interest in ensuring that "the administration of copyright law ... promot[es] innovation in new communication technologies by limiting the incidence of liability for copyright infringement." *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913, 928 (2005). That interest extends to the question presented in this case, which implicates the length of time for which defendants, including those who

develop and distribute technologies that may, but need not, be put to infringing uses, may be exposed to copyright liability. To innovators, the decision to innovate may be influenced every bit as much by the *duration* of potential exposure to copyright liability as by whether they will be held liable at all. The consumers who take advantage of these innovative technologies in order to increase overall social welfare likewise come to rely upon their longstanding uses and garner a reasonable expectation that an unchallenged practice is lawful. Any chill on innovation caused by extended exposure to copyright liability would harm the public's interest in the free flow of ideas, information, and commerce.

INTRODUCTION AND SUMMARY OF ARGUMENT

As unsettling as a delayed copyright infringement suit is to a studio that has invested in the distribution of *Raging Bull*, Resp. Br. 48-50, or in the James Bond franchise, *Danjaq LLC v. Sony Corp.*, 263 F.3d 942 (9th Cir. 2001), it is even more disruptive in the technology space, where companies must spend many years and often hundreds of millions of dollars to develop new products, bring them to market, and update them. The prospect of being vulnerable to suit for decades or more is a particular concern for creators and distributors of "dual-use" technologies—products that a consumer can, at her election, use lawfully or in a manner giving rise to infringement. Many of the most important technologies by which people

communicate and consume information and ideas have been dual-use—from the printing press and the typewriter to the photocopier, the VCR, and the iPod. When deciding whether to invest in new technologies that may be dual-use, innovators must take account of the liability risks, including the duration of their exposure to liability. That is true not just upon a product's initial launch, but each time the innovator considers updating and re-releasing the product. In today's marketplace, in which consumers constantly demand updated technology, such improvements are the norm. A plaintiff who declines to sue on version 1 of a product should not be permitted to wait years and then assert the same infringement theory against version 5, after the innovator has made continued investments in the intervening years. Not only the innovator, but consumers who believe they are making fair use copies, gain settled and reasonable expectations of peace and repose. A liability ruling decades after an innovator has made its initial investment, and then continued to double down on it, could be devastating. Laches operates to protect against such disruption.

This Court has recognized that the Copyright Act incorporates common-law doctrines that broaden liability, even when those principles do not appear on the face of the Act. The obverse must also be true: In just the same way, the Copyright Act incorporates traditional common-law *limitations* on liability.

Invoking the common law to expand liability was neither obvious nor easy. Take, for example, how

the Court wrestled with the question whether the Copyright Act should be held to incorporate common-law principles of secondary liability, even though "[t]he Copyright Act does not *expressly* render anyone liable for infringement committed by another." *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 435 (1984) (emphasis added). The Court worried that expanding liability under the Act could harm technological innovation; it noted its "reluctance to expand the protections afforded by the copyright without explicit legislative guidance"; and it observed that in interpreting the Act, the Court should be "circumspect in construing the scope of rights created by a legislative enactment which never contemplated" the "competing interests that are inevitably implicated by ... new technology." *Id.* at 431, 434-35 & n.17. Ultimately, however, the Court did expand liability. It did so because it looked to principles "imposed in virtually all areas of the law," *id.* at 435—i.e., common-law doctrines of secondary liability—and thus construed the statute to embrace an "unprecedented" theory of contributory copyright infringement. *Id.* at 421, 435 n.17.

The common law is not, however, a one-way ratchet. What it gives on grounds of equity, it also takes away—on that same principle of fundamental fairness. Doctrines that are "imposed in virtually all areas of the law," *id.* at 435, should limit copyright liability the same way they expand liability, unless Congress has manifested a clear intent to the contrary. After all, when "a common-law principle is well established ... the courts may take it as given

that Congress has legislated with an expectation that the principle will apply except 'when a statutory purpose to the contrary is evident.'" *Astoria Fed. Sav. & Loan Ass'n v. Solimino*, 501 U.S. 104, 108 (1991) (citation omitted). No such purpose is "evident" here. *Id.* Instead, the Court should give force to the same considerations quoted above that motivated *Sony*; doing so is essential to preserve the fundamental balance reflected in the constitutional understanding that the goal of the limited copyright monopoly is to "stimulate artistic creativity for the general public good." *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975).

Here, maintaining that balance requires the Court to recognize the common-law defense of laches. That venerable doctrine, and the security that it provides through repose, is particularly important to the undersigned amici. Amici are representative of entities and persons that create, distribute and use dual-use technologies. The creators and distributors of such technologies often are haled into court under theories of secondary liability, and as a result, they are uniquely subject to an eternal threat of litigation. This is true notwithstanding the statute of limitations: Because they do not control the conduct of their consumers, they can never stop the clock; even taking a technology off the market does not prevent direct infringement by individuals who already purchased it. Remarkably, the consumer herself can wake up one morning to find that while she has been using a DVR for many years to record shows and watch them later, that practice is now being challenged as

unlawful. The result is that the distributor of a dual-use technology is not protected by the statute of limitations until three years after the last consumer stops using the device.

That creators and distributors of dual-use technologies are subject to an eternal threat of litigation is especially true because the courts have developed two doctrines—the "continuing wrong" doctrine and the "separate accrual rule"—that permit liability for conduct far outside the Act's three-year statute of limitations. Here, for instance, Petrella brought suit on the basis of allegedly infringing conduct that began nearly 20 years before and that had not changed materially in the intervening decades. Over such a long period of time, evidence inevitably is lost, memories fade, and expectations become settled. Because the statute of limitations has been held not to apply, however, the gross inequity that would result if such a suit could continue is ameliorated only by the doctrine of laches. This flexible doctrine permits courts to assess whether equitable considerations should bar relief even when the statute of limitations would not. Accordingly, it provides security and stability in a way that the statute of limitations, as interpreted by the courts, does not.

Abolishing laches as a defense would chill innovation. Dual-use technologies have revolutionized the way we communicate and consume information and ideas. But developing such technologies commonly requires years of effort and hundreds of millions of dollars. And updating

them to maintain current technology requires a significant ongoing investment of time and money. Courts and commentators have long recognized that the scope of secondary infringement liability—and particularly uncertainty about the scope of such liability—can diminish an innovator's willingness to invest that time and money. Put simply: If this Court holds that Congress meant to abrogate laches when it enacted the Copyright Act, that statute will be transformed into one that gives rise to never-ending liability for technology innovators. But there is no indication that Congress intended to foreclose the longstanding and much-needed equitable defense of laches merely by enacting a statute of limitations. This Court should decline the invitation to do what Congress did not, and avoid taking a step that would have a detrimental effect on technological innovation.

ARGUMENT

I. WITHOUT LACHES, THE PROSPECT OF DELAYED INFRINGEMENT SUITS WILL CHILL INNOVATION.

A. Dual-Use Technologies Are Particularly Vulnerable To Delayed Infringement Suits.

When creators and distributors of dual-use technologies are accused of copyright infringement, typically they are sued under theories of secondary

liability: contributory infringement,[2] vicarious infringement,[3] or induced infringement.[4] These doctrines do not appear in the Copyright Act, as this Court recognized in *Sony*. 464 U.S. at 434. Nevertheless, the Court determined, "[t]he absence of such express language in the copyright statute does not preclude the imposition of liability for copyright infringements on certain parties who have not themselves engaged in the infringing activity." *Id.* at 435. This is because "vicarious liability is imposed in virtually all areas of the law, and the concept of contributory infringement is merely a species of the broader problem of identifying the circumstances in which it is just to hold one individual accountable for the actions of another." *Id.*

The likelihood that suit will be brought against a provider of dual-use technology, rather than its customer, has increased substantially in the digital age.

---

[2] A defendant is liable for contributory infringement when it, "with [actual or constructive] knowledge of the infringing activity, induces, causes or materially contributes to the infringing conduct of another." *Gershwin Publ'g Corp. v. Columbia Artists Mgmt., Inc.*, 443 F.2d 1159, 1162 (2d Cir. 1971).

[3] A defendant is liable for vicarious copyright infringement when it "profit[s] from direct infringement while declining to exercise a right to stop or limit it." *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913, 930 (2005).

[4] A defendant is liable for induced infringement when it "distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement." *Grokster, Ltd.*, 545 U.S. at 936-37.

Because of "a fundamental shift in the economics of copyright infringement," "copyright owners [have] shifted from suing infringers to suing facilitators." Mark A. Lemley & R. Anthony Reese, *Reducing Digital Copyright Infringement Without Restricting Innovation*, 56 Stan. L. Rev. 1345, 1355 (2004). Such alleged "facilitators" include manufacturers of electronic equipment such as digital video recorders (DVRs), *see, e.g.*, *Paramount Pictures Corp. v. ReplayTV*, 298 F. Supp. 2d 921 (C.D. Cal. 2004), as well as "makers of software that can be used to share files," "providers of search engines that help people find infringing material," and "'quasi internet service providers' such as universities, eBay, and Yahoo! Auction," Lemley & Reece, *supra*, at 1346-47. These entities are targets because "[t]he massive decline in the cost of copying has made large-scale end-user copyright infringement a more significant problem[,] .... [b]ut it simply is not cost effective to sue each end user." *Id.* at 1376. "Suing facilitators," on the other hand, "is cost-effective for the content industries because a single lawsuit can eliminate the dissemination mechanism for a large number of end-user copies." *Id.* at 1377.

The statute of limitations provides little protection against such suits, no matter how long the plaintiff has delayed or how stale the allegations. By definition, secondary liability is keyed to acts of direct infringement by third parties. *See, e.g.*, *Grokster, Ltd.*, 545 U.S. at 940. That means there is actionable direct infringement potentially triggering secondary liability every time a customer uses a dual-use technology unlawfully. So long as an act of

direct infringement occurs within the limitations period, a suit against a technology provider often will evade the statute of limitations, even if the technology was developed and introduced to the public well outside of the initial limitations period. 3 *Nimmer on Copyright* § 12.04 ("If infringing acts personally committed by A occurred at a time beyond the period of the statute of limitations, but the infringing acts of B are not yet barred under the statute, then A may be rendered liable ... if he is shown to be a related defendant with respect to the acts of B."). That means that the statute of limitations grants the creator or distributor of a device no protection until three years after the last consumer stops using the device.

The litigation over Sony's Betamax VCR, which culminated in *Sony Corp. of Am. v. Universal City Studios*, 464 U.S. 417 (1984), demonstrates the problem faced by manufacturers of dual-use technologies. Sony introduced "the first home video recorder"—a "reel-to-reel machine that employed ½-inch tape and recorded in black and white"—in 1965. *Copyright Infringements (Audio and Video Recorders): Hearings on S. 1758 Before the S. Comm. on the Judiciary*, 97th Cong. 166-67 (1981-82) (statement of Joseph A. Lagore, President, Sony Computer Products Co.) (hereinafter *Audio and Video Recorders Hearings*). Four years later, "Sony created for home use a ¾-inch cassette color recorder called the U-matic," which "enjoyed much success in commercial use and became the accepted standard for broadcasting and industrial communications." *Id.* at 167. Then, "[a]s the evolution of this video

technology continued, in 1975 Sony introduced the first Betamax home video recorders" in the United States. *Id.*

As this timeline demonstrates, the Betamax "did not just spring up over night"; it was the product of "[y]ears of research and development and several stages of introduction for ... earlier phases of home VCRs." *Id.*; *see also id.* at 32 ("[O]ur capital investment in R. & D. has been considerable. So has that of the many other companies now in the field."). Testifying before Congress in the early 1980s, a Sony executive made clear that "[n]one of this [development] was done in a vacuum or in a low-key fashion[,] .... [n]or was it done without the full knowledge, and at times—in our opinion—the encouragement of the very same parties in the movie industry that eventually brought suit." *Id.* at 167. Moreover, he noted, "[t]he basic function of [the Betamax] is essentially the same as it was in 1965." *Id.*

Yet Sony was not sued for copyright infringement based on its VCR technology until 1976—nearly 11 years and hundreds of millions of dollars after Sony demonstrated its first video recorder for interested parties, including those who eventually filed suit. *Id.* at 169. After Sony's lengthy, expensive, and public efforts to develop and refine VCR technology, it was "shocked and surprised ... to be named as a co-defendant in the lawsuit ... which sought to prevent the sale of home video recorders."

Id. Notwithstanding the lengthy delay, the statute of limitations would have been no bar to suit.[5]

B. Endless Exposure To Liability Discourages Innovation.

In the midst of the Betamax litigation, Sony offered an understandable lament: "Why," it asked, "would someone spend the billions of dollars needed to create new technology in the fashion we have here only to have it banned or recalled a decade and a half after the initial development began?" *Audio and Video Recorders Hearings* at 172 (statement of Joseph A. Lagore). Fortunately for Sony—and the public—the Court determined that secondary liability was unavailable in that case; applying the Copyright Act to the facts as they had been developed, 464 U.S. at 456, Sony's sale of VCRs did not make it secondarily liable for unlawful use by its customers, *id.* at 421. But, given persistent uncertainty about the scope of liability, companies that wish to innovate, and to continue reinvesting to improve a device, need appropriate protection, in the form of *ex ante* assurance that the investments in developing, updating, and marketing technology will not be undermined, and a company potentially destroyed, by an infringement suit filed years down the line.

---

[5] Sony raised laches as a defense, *see Universal City Studios, Inc. v. Sony Corp. of Am.*, 659 F.2d 963, 977 (9th Cir. 1981), but because Sony prevailed on liability, laches was never resolved.

The scope of potential liability for copyright infringement significantly affects whether an innovator in fact will innovate and continue to reinvest in improving its products: More potential liability means less innovation. Thus, as this Court has recognized, "the administration of copyright law" must reflect "a sound balance between the respective values of supporting creative pursuits through copyright protection and promoting innovation in new communication technologies by limiting the incidence of liability for copyright infringement." *Grokster, Ltd.*, 545 U.S. at 928. Put otherwise, "[i]f the law imposed the death penalty for parking tickets, we'd not only have fewer parking tickets, we'd also have much less driving. The same principle applies to innovation. If innovation is constantly checked by ... uncertain and unlimited liability, we will have much less vibrant innovation and much less creativity." Lawrence Lessig, *Free Culture: How Big Media Uses Technology and the Law to Lock Down Culture and Control Creativity* 192 (2004).

The threat is real. Due to the availability of statutory damages, *see* 17 U.S.C. §§ 504(a), (c), copyright infringement liability can quickly become massive. In today's "online environment, where the scope of the infringing use will often not be ascertainable, making it hard to prove actual damages, the availability of statutory damages is increasingly important." Dep't of Commerce Internet Policy Task Force, *Copyright Policy, Creativity, and Innovation in the Digital Economy* 51 (July 2013), *available at* http://www.uspto.gov/news/

publications/copyrightgreenpaper.pdf (hereinafter Dep't of Commerce Green Paper). If the copyright owner elects statutory damages, then "with respect to any one work, for which any one infringer is liable individually, or for which any two or more infringers are liable jointly and severally," the court must award damages "in a sum of not less than $750 or more than $30,000," with the maximum increasing to $150,000 if the infringement was willful. 17 U.S.C. § 504(c).

At first blush, those amounts may seem modest to the corporate innovator (though significant to an ordinary human being). But they become downright crushing when layered into a case alleging secondary liability. A blockbuster device can have millions of users copying billions of works. Multiply that by $30,000, or even only $750, and the liability for such a product could become astronomical and put a company out of business. One district court noted that on the facts of the case before it, statutory damages could, if calculated a certain way, "reach into the *trillions*," which is "more money than the entire music recording industry has made since Edison's invention of the phonograph in 1877." *Arista Records LLC v. Lime Group LLC*, 784 F. Supp. 2d 313, 317 (S.D.N.Y. 2011) (internal quotation marks omitted); *see* Stephanie Berg, *Remedying the Statutory Damages Remedy for Secondary Copyright Infringement Liability: Balancing Copyright and Innovation in the Digital Age*, 56 J. Copyright Soc'y U.S.A. 265, 268 (2009); *see also* Dep't of Commerce Green Paper at 52 (noting "the potential for huge statutory damages awards

against online services because of the volume of works that they make available"); Mark A. Lemley, *Should A Licensing Market Require Licensing?*, 70-SPG Law & Contemp. Problems 185, 199 n.81 (2007) ("[B]ecause of an accident in the way statutory damages are calculated, anyone who is found liable for indirect infringement on the Internet faces liability of billions of dollars."). This is not a hypothetical. Studies of actual statutory damages awards demonstrate that fears of large awards are well-founded.[6]

Accordingly, "[a] legal standard that does not resolve the issue of secondary liability at an early stage of the proceedings will lead to 'debilitating uncertainty' and exert a chilling effect on innovation." Michael A. Carrier, *Innovation for the 21st Century: Harnessing the Power of Intellectual Property and Antitrust Law* 132 (2009); *see also* Lemley & Reece, *supra*, at 1388 ("[L]awsuits against facilitators directly deter innovation that might facilitate legal uses as well as infringement."). "To whatever extent" large damages awards "deter misbehavior," "they also deter investment by creating substantial uncertainty and risk." Comments of Computer & Communications Indus. Ass'n, *In re Request for Comments on Dep't of*

---

[6] *See generally* Pamela Samuelson & Tara Wheatland, *Statutory Damages in Copyright Law: A Remedy in Need of Reform*, 51 Wm. & Mary L. Rev. 439 (2009); J. Cam Barker, *Grossly Excessive Penalties in the Battle Against Illegal File-Sharing: The Troubling Effects of Aggregating Minimum Statutory Damages for Copyright Infringement*, 83 Tex. L. Rev. 525 (2004).

Commerce Green Paper, Copyright Policy, Creativity, and Innovation in the Digital Economy, No. 130927852-3852-01 (Nov. 13, 2013), *available at* http://www.ntia.doc.gov/files/ntia/ccia-comments.pdf. Self-evidently, "[i]f an innovator is at risk of losing her whole company (and her house and her children's education), even a very small chance of liability will be enough to deter valuable innovation." Lemley, *supra*, at 199 n.81. In a recent study of "angel" investors—those who provide capital for start-up businesses—"89 percent said uncertain and potentially large damages made them uncomfortable with investing in [digital content intermediaries]." Matthew Le Merle, et al., Booz & Co., *The Impact of U.S. Internet Copyright Regulations on Early-Stage Investment: A Quantitative Study* 18 (2011), *available at* http://www.booz.com/media/file/BoozCo-Impact-US-Internet-Copyright-Regulations-Early-Stage-Investment.pdf.

Moreover, "[t]he anecdotal evidence of ... deterrence" caused by the imposition of copyright liability "is quite strong." Lemley & Reece, *supra*, at 1388. For example, in a study of "31 CEOs, company founders, and vice presidents from technology companies, the recording industry, and venture capital firms," content providers and innovators agreed that "the 'lack of clarity' in the law 'is holding back innovation right now.'" Michael A. Carrier, *Copyright and Innovation: The Untold Story*, 2012 Wis. L. Rev. 891, 891, 945 (2012) (quoting record label official); *see id.* at 941 ("The prospect of statutory damages ... could [also] discourage companies from fully developing their service

because of the fear of increased damages. One respondent explained that the company was 'reluctant to expand its service' because it worried about 'potential extra damages if it lost.'").[7]

* * *

This is the legal landscape within which the Court must consider whether Congress meant to abrogate the historic availability of laches when it enacted the Copyright Act. In this world, the chilling effect of massive liability will be worsened all the more if the passage of time can provide innovators with no certainty. It is troubling enough that a new product could be sued out of existence before a company has a chance to generate a return on initial investment. The risk that the plug could be pulled after a product has gained success, generating additional, repeated investment to keep up with the fast pace of the technology markets, and perhaps even becoming the signature feature of a company's entire business, would be too great to bear. *See Audio and Video Recorders Hearings* at 172 (statement of Joseph A. Lagore). For the reasons that we discuss next, the statute of limitations is insufficient to protect innovators or to

---

[7] It is no answer to say that when the separate accrual rule applies, the statute of limitations resets the clock on damages to the date three years prior to suit. For one thing, "[s]uits against facilitators" typically "seek to outlaw a service entirely or to declare a device or program contraband." Lemley & Reece, *supra*, at 1386. For another, as the *Arista Records* example indicates, statutory damages may be crushing even if cabined to the shorter window.

guarantee repose. Only the operation of laches can prevent absurd results and provide creators and providers of dual-use technology with the much-needed security that their innovations and investments will eventually be safe from ruin.

II. IN THE ABSENCE OF LACHES, THE STATUTE OF LIMITATIONS PROVIDES INSUFFICIENT REPOSE.

The statute of limitations serves a historic and important function. Its efficacy is severely diminished within the Copyright Act, however, because multiple doctrines expand liability under that statute in ways that differentiate it from most others. Laches serves to protect against the absurd results that otherwise would occur.

A. 1. Statutes of limitations have a distinguished pedigree. They have existed since at least the time of Henry VIII, *see* The Act of Limitation with a Proviso, 32 Hen. 8, c. 2 (1540), and are now "'found and approved in all systems of enlightened jurisprudence.'" *United States v. Kubrick*, 444 U.S. 111, 117 (1979) (quoting *Wood v. Carpenter*, 101 U.S. 135, 139 (1879)). They are "primarily designed to assure fairness to defendants." *Burnett v. New York Cent. R.R. Co.*, 380 U.S. 424, 428 (1965). "The theory is that even if one has a just claim it is unjust not to put the adversary on notice to defend within the period of limitation and that the right to be free of stale claims in time comes to prevail over the right to prosecute them." *Id.* (quoting *Order of Railroad Telegraphers v. Railway Express*

Agency, 321 U.S. 342, 348-49 (1944)). Ultimately, statutes of limitations are intended to "giv[e] security and stability to human affairs." *Wood*, 101 U.S. at 139; *see also Taylor v. Meirick*, 712 F.2d 1112, 1119 (7th Cir. 1983). Like most other enactments, the Copyright Act contains a statute of limitations, which was adopted in 1957: "No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued." 17 U.S.C. § 507(b).

2. In the Copyright Act, however, this statute of limitations, alone, does not provide the protection described above because of the operation of two common-law doctrines.

First is the doctrine of "continuing wrong." Under this principle, "[t]he initial copying [is] not a separate and completed wrong, but simply the first step in a course of wrongful conduct that continue[s] till the last copy of the infringing [work] [is] sold." *Taylor*, 712 F.2d at 1119. So long as "the final act of an unlawful course of conduct occurs within the statutory period," and the plaintiff "sue[s] within the statutory period," she can "reach back and get damages for the entire duration of the alleged violation." *Id.*

A second doctrine that can extend liability far beyond the three-year mark is the "separate accrual rule"—which, not incidentally, Petrella invoked here. Pet'r Br. 21-24. Under this doctrine, the statute of limitations does prevent the plaintiff from looking back more than three years to collect damages. But,

"[i]f infringement occurred within three years prior to filing, the action will not be barred even if prior infringements by the same party as to the same work are barred because they occurred more than three years previously." 3 *Nimmer on Copyright* § 12.06; *see also, e.g., Roley v. New World Pictures, Ltd.*, 19 F.3d 479, 481 (9th Cir. 1994); *Stone v. Williams*, 970 F.2d 1043, 1050 (2d Cir. 1992). Like the continuing wrong doctrine, "[t]he separate accrual rule is not based on the Copyright Act or its legislative history." 6 *Patry on Copyright* § 20.23.

These doctrines, both of which are judicial glosses on the Copyright Act based on traditional common-law principles, allow copyright liability to extend for decades or more—even if subsequent acts of infringement are identical or nearly identical to the act originally giving rise to suit.

3. The problems caused by the intersection of these doctrines with the statute of limitations are real, which is why "this Court has recognized" that "laches is a necessary component of a regime governed by a rolling limitations period." Resp. Br. 31 (citing *Nat'l R.R. Passenger Corp. v. Morgan*, 536 U.S. 101, 121-22 (2002)); *see also* Laycock Amicus Br. 24 ("if defendant continues to infringe, the statute of limitations may never run, and there is no way to take account of legitimate reliance interests without invoking laches or estoppel"). If laches were not available as a counterweight, absurd results would follow. The *Sony* case described above (at 13-15) is one significant example of this type of problem, but there are many more. Indeed, this case itself vividly

illustrates the issue. Petrella was aware of her own rights to her father's screenplay, as well as the movie studios' allegedly infringing conduct, some 18 years before she brought suit. Pet'r Br. 6-8. But because of the separate accrual rule, the statute of limitations did not bar suit, regardless of the prejudice or loss of evidence that had occurred in the meantime.

The same was true in several recent cases. In one, the statute of limitations would not have barred infringement claims based on the re-release of James Bond movies on DVD—notwithstanding the fact that "the allegedly infringing aspect of the DVD is identical to the alleged infringements contained in the underlying movie," each of which had been released between 19 and 36 years before the plaintiff filed suit. *Danjaq*, 263 F.3d at 953. While the plaintiff could no longer sue on the original acts of alleged infringement, the statute of limitations did not prevent him from suing on the re-release of the very same allegedly infringing movies three decades later.

In another case, the plaintiff claimed that Country Joe McDonald's song *Fixin' to Die a Rag* infringed on her copyright to the song *Muskrat Ramble*. *See Ory v. McDonald*, 141 F. App'x 581 (9th Cir. 2005). She had waited to file suit until "thirty years after the discovery of McDonald's alleged infringement"—but the statute of limitations would have been no defense because McDonald had made a new recording of his song within three years of the lawsuit. *Id.* at 583.

In yet another case, the plaintiff waited until two decades after it had sent the defendant a warning letter to file suit alleging that the defendant's instruction materials infringed its copyrights. *Kepner-Tregoe, Inc. v. Exec. Dev., Inc.*, 79 F. Supp. 2d 474, 487 (D.N.J. 1999), *aff'd*, 276 F.3d 577 (3d Cir. 2001). That suit would not have been barred by the statute of limitations because the defendant had continued to publish the allegedly infringing materials in the intervening decades, including a software version issued two years before the lawsuit. *Id.* at 481; *cf. Hot Wax, Inc. v. Turtle Wax, Inc.*, 191 F.3d 813, 820-23 (7th Cir. 1999) (trademark infringement suit not barred by statute of limitations, even though plaintiff waited 20 years to file suit, because of the continuing wrong doctrine); Feldman Amicus Br. 8-14 (describing 25-year delay in enforcement of rights to the Mini-Mental State Examination).

Only the availability of laches as a counterweight can preclude such extreme results—where an initial claim for infringement could be barred, but a nearly identical claim occurring decades later would be timely notwithstanding the settling of expectations, the fading of memories, and the loss of evidence. Laches is itself a venerable doctrine, deeply rooted in the common law, and recognized by this Court for more than a century. It bars relief for a plaintiff who "'with full knowledge of the facts, acquiesces in a transaction and sleeps upon his rights.'" *S. Pac. Co. v. Bogert*, 250 U.S. 483, 500 (1919) (McReynolds, J., dissenting) (citing *Hayward v. Eliot Nat'l Bank*, 96 U.S. 611 (1877)); *see also*

Martin v. Gray, 142 U.S. 236, 239 (1891) ("[I]t is a rule of equity that an unreasonable delay in asserting rights is a bar to relief."). Laches is an "inherent doctrine of discouraging, for the peace of society, antiquated demands." *Badger v. Badger*, 2 Wall. 87, 94 (1864); *see also Mackall v. Casilear*, 137 U.S. 556, 566 (1890) (same). It accordingly reflects the principle Justice Oliver Wendell Holmes has expressed, that "[a] thing which you have enjoyed and used as your own for a long time, whether property or an opinion, takes root in your being and cannot be torn away without your resenting the act." *The Path of the Law*, 10 Harv. L. Rev. 457, 477 (1897).

So while laches serves purposes similar to a statute of limitations, it "'is not, like limitation, a mere matter of time.'" *Holmberg v. Ambrecht*, 327 U.S. 392, 396 (1946) (citation omitted). Rather, it is "'principally a question of the inequity of permitting the claim to be enforced'" and "depends on flexibility." *Id.* (citation omitted). Unlike a statute of limitations defense, "[l]aches requires proof of (1) lack of diligence by the party against whom the defense is asserted, and (2) prejudice to the party asserting the defense." *Costello v. United States*, 365 U.S. 265, 282 (1961); *see also Penn Mut. Life Ins. Co. v. City of Austin*, 168 U.S. 685, 698 (1898) ("The reason upon which [laches] is based is not alone the lapse of time during which the neglect to enforce the right has existed, but the changes of condition which may have arisen during the period in which there has been neglect."); *Gardner v. Panama R. Co.*, 342 U.S. 29, 31 (1951) (same). It therefore is not, as

Petrella contends, "redundant of a statute of limitations." Pet'r Br. 28. Unlike the statute of limitations in the Copyright Act, "[i]n [Supreme Court] cases, as well as in [circuit court] precedent ..., laches has been viewed as a single defense to a continuing tort up to the time of suit, not a series of individual defenses which must be proved as to each act of infringement, at least with respect to infringing acts of the same nature." *A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020, 1031 (Fed. Cir. 1992) (en banc) (citing *Lane & Bodley Co. v. Locke*, 150 U.S. 193 (1893) (patent infringement); *Menendez v. Holt*, 128 U.S. 514 (1888) (trademark infringement)).

Accordingly, in each of the cases described above, it was the commonsense application of laches that foreclosed a grossly delayed infringement suit—which a mechanical application of the statute of limitations otherwise would have allowed. *See Danjaq*, 263 F.3d at 954-56; *Ory*, 141 F. App'x at 583; *Kepner-Tregoe*, 79 F. Supp. at 487-91. In each case, the court properly recognized the unfairness that would have resulted from disrupting the defendant's settled expectations when the plaintiff had known of the allegedly infringing conduct for many years. *See Danjaq*, 263 F.3d at 956 ("[I]t would be inequitable to permit [plaintiff] to wait forty years, then to profit from the risk inherent in [defendant's] investment in the [James Bond] franchise."); *Ory*, F. App'x at 583 (defendant "invested time and money" in accused song); *Kepner-Tregoe*, 79 F. Supp. at 489-90 ("Where an alleged infringer ... has developed its entire business around

one name or product that another party then seeks to prohibit it from using or producing, prejudice sufficient for laches exists."). Laches allowed the courts to consider the equities, not just whether an alleged act of infringement had occurred in the past three years. *See Aukerman*, 960 F.2d at 1030 (a statute of limitations imposes an "arbitrary limitation on the period for which damages may be awarded," whereas "[l]aches ... invokes the discretionary power of the district court to limit the defendant's liability for infringement by reason of the equities between the particular parties").

Learned Hand famously observed, nearly a century ago, that

> [i]t must be obvious to every one familiar with equitable principles that it is inequitable for the owner of a copyright, with full notice of an intended infringement, to stand inactive while the proposed infringer spends large sums of money in its exploitation, and to intervene only when his speculation has proved a success. Delay under such circumstances allows the owner to speculate without risk with the other's money; he cannot possibly lose, and he may win.

Haas v. Leo Feist, Inc., 234 F. 105, 108 (S.D.N.Y. 1916). Foreclosing the application of laches, as Petrella urges, would run directly contrary to this basic equitable insight. It also would give rise to a

gross asymmetry within the Copyright Act as that statute has been judicially interpreted. As noted above (at 6-7, 10-11), copyright liability has been broadened through secondary liability, and that broadening has been justified on the theory that "contributory infringement is merely a species of the broader problem of identifying the circumstances in which it is just to hold one individual accountable for the actions of another." *Sony*, 464 U.S. at 435. Laches serves the same essential function of determining "the circumstances in which it is just" to cut off liability. *See Bowman v. Wathen*, 42 U.S. 189, 193 (1843) ("'[A] court of equity ... has always refused its aid to stale demands, where the party has slept upon his rights for a great length of time. Nothing can call forth this court into activity but conscience, good faith, and reasonable diligence.'" (citation omitted)); *Penn Mut. Life Ins.*, 168 U.S. at 698 ("[W]here a court of equity finds that the position of the parties has so changed that equitable relief cannot be afforded without doing injustice, or that the intervening rights of third persons may be destroyed or seriously impaired, it will not exert its equitable powers in order to save one from the consequences of his own neglect."). Both doctrines call upon courts to apply basic principles of fairness as the consequence of a litigant's decision to act, or not, in light of what she knew. For infringement defendants, the court will consider whether their knowledge of infringement by others should give rise to secondary liability. For infringement plaintiffs, the court will consider their knowledge of the facts giving rise to a claim. To recognize one doctrine but

not the other is to disrupt the balance that is so fundamental to this statute.

B. Petrella is incorrect to argue that recognizing the mere availability of laches in copyright claims would violate "[t]he separation of powers." Pet'r Br. 18. She makes much of the fact that "[t]he Lanham Act, which governs trademarks, ... expressly authorizes 'equitable principles, including laches,' as defenses to infringement," Pet'r Br. 31 (quoting 15 U.S.C. § 1115(b)(9)), and that "[t]he Patent Act also includes language that may authorize the defense of laches," *id.* (citing 35 U.S.C. § 282(b)(1)). So, she argues, because the Copyright Act contains no comparable "wording inviting recourse to laches," there is a "negative inference" that is "unmistakable." *Id.* at 31-32.

But if that sort of negative inference were to govern, the Court never would have imported secondary liability into the Copyright Act. The Court in *Sony* recognized an omission of language in the Copyright Act that is present in the Patent Act, but declined to give that omission controlling weight. Specifically, the Copyright Act contains no language "expressly render[ing] anyone liable for infringement committed by another"—an omission that stands "[i]n contrast" with the Patent Act. That latter statute "expressly brands anyone who 'actively induces infringement of a patent' as an infringer, 35 U.S.C. § 271(b), and further imposes liability on certain individuals labeled 'contributory' infringers, *id.* § 271(c)." *Sony*, 464 U.S. at 435. But, rather than relying on this negative implication, *Sony* was

guided by background common-law principles—noting, as discussed above, that "vicarious liability is imposed in virtually all areas of law." *Id.* The fact that § 501(a) of the 1976 Act did not refer expressly to secondary liability therefore was not viewed as abrogating the common-law rule of secondary liability previously acknowledged in *Kalem Co. v. Harper Brothers*, 222 U.S. 55 (1911). Here, similarly, laches was at least as well established at the time Congress enacted § 507(b), *see Bowman*, 42 U.S. at 194, including in the specific context of copyright infringement, *see, e.g., Callaghan v. Myers*, 128 U.S. 617, 658-59 (1888); *Gilmore v. Anderson*, 38 F. 846, 848 (S.D.N.Y. 1889); *Haas*, 234 F. at 108; *see also* 3 *Nimmer on Copyright* § 12.06 ("laches has an illustrious pedigree across the circuits as a defense to a charge of copyright infringement"), and where the statute of limitations had not yet run, *see Richards v. Mackall*, 124 U.S. 183, 188 (1888) ("equity would sometimes refuse relief where a shorter time than that prescribed by statute had elapsed without suit").

Recognizing laches therefore is supported by the same interpretive principle, embraced by *Sony*, that Congress "is understood to legislate against a background of common-law adjudicatory principles. Thus, where," as here, "a common-law principle is well established ... the courts may take it as given that Congress has legislated with an expectation that the principle will apply except 'when a statutory purpose to the contrary is evident.'" *Astoria Fed. Sav. & Loan*, 501 U.S. at 108 (citation omitted); *see Anderson v. Pac. Coast S.S. Co.*, 225 U.S. 187, 199

(1912) ("[I]t will not be inferred that Congress, in revising and consolidating the laws, intended to change their effect unless such intention is clearly expressed."); *Shaw v. R.R. Co.*, 101 U.S. 557, 565 (1879) ("No statute is to be construed as altering the common law, farther than its words import. It is not to be construed as making any innovation upon the common law which it does not fairly express."). In particular, this Court has stated that it will "'not construe a statute to displace courts' traditional equitable authority absent the clearest command.'" *Holland v. Florida*, 130 S. Ct. 2549, 2560 (2010) (citation omitted); *see also United States v. Rodgers*, 461 U.S. 677, 708 (1983) (noting "the even more important principle of statutory construction that Congress should not lightly be assumed to have enacted a statutory scheme foreclosing a court of equity from the exercise of its traditional discretion"); *Scripps-Howard Radio, Inc. v. FCC*, 316 U.S. 4, 17 (1942) ("Where Congress wished to deprive the courts of this historic [equitable] power, it knew how to use apt words.").

No such command is evident here. On the contrary, to the extent Congress considered the issue at all, it was to direct that even if "equitable defenses" were not expressly included in the statute, "the Federal district courts, generally, would recognize ... [them] anyway." H.R. Rep. No. 84-2419 (1956). Accordingly, the usual rule regarding the effect of laches in continuing tort cases must apply to copyright infringement suits.

CONCLUSION

For the foregoing reasons, the judgment of the Court of Appeals should be affirmed.

Respectfully submitted,

Annette L. Hurst
ORRICK, HERRINGTON
& SUTCLIFFE LLP
405 Howard Street
San Francisco, CA 94105
(415) 773-5700

E. Joshua Rosenkranz
Counsel of Record
ORRICK, HERRINGTON
& SUTCLIFFE LLP
51 West 52nd Street
New York, NY 10019
(212) 506-5000
jrosenrkanz@orrick.com

Eric A. Shumsky
Rachel M. McKenzie
ORRICK, HERRINGTON
& SUTCLIFFE LLP
1152 15th Street, NW
Washington, DC 20005
(202) 339-8400

December 23, 2013

AMICUS CURIAE BRIEF

RECORD
AND
BRIEFS

No. 12-1315

In the Supreme Court of the United States

PAULA PETRELLA,

Petitioner,

v.

METRO-GOLDWYN-MAYER, INC., et al.,

Respondents.

On Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

BRIEF OF *AMICUS CURIAE* DRI – THE VOICE OF THE DEFENSE BAR IN SUPPORT OF RESPONDENTS

MARY MASSARON ROSS
JOSEPHINE A. DELORENZO
PLUNKETT COONEY
38505 Woodward Ave.
Suite 2000
Bloomfield Hills, MI 48304
(313) 983-4801
mmassaron@plunkettcooney.com

J. MICHAEL WESTON
President of DRI—The Voice of the Defense Bar
Counsel of Record
LEDERER WESTON CRAIG, PLC
118 Third Ave. SE
Suite 700
P.O. Box 1927
Cedar Rapids, IA 52406
(319) 365-1184
mweston@lwclawyers.com

Counsel for Amicus Curiae DRI – The Voice of the Defense Bar

Becker Gallagher · Cincinnati, OH · Washington, D.C. · 800.890.5001

Library of Congress
Law Library

TABLE OF CONTENTS

Page(s)

INDEX OF AUTHORITIES iii

INTEREST OF *AMICUS CURIAE* 1

SUMMARY OF ARGUMENT 3

ARGUMENT 6

The Nonstatutory Defense Of Laches Should Be Available Without Restriction To Bar All Remedies For Civil Copyright Claims Filed Within The Three-Year Statute Of Limitations Prescribed By Congress, 17 U.S.C. § 507(b). ... 6

A. Laches is a practical doctrine that must remain available to guard against stale claims and ensure fairness in litigation. ... 6

B. Congress enacted the Copyright Act against the backdrop of law suggesting that laches is available as a defense regardless of whether the plaintiff seeks legal or equitable relief and regardless of whether it bars a claim brought within an applicable statute of limitations. 13

1. *Laches has been applied in the context of federal civil rights statutes.* 14

2. *Laches has been applied in the context of patent law.* 16

3. *Laches has been applied in the context of admiralty law.* 16

4. Laches has been applied in the context of military pay statutes 17

5. Laches is a background defense that applies across the board given the merger of law and equity 18

C. At a minimum, the defense of laches in copyright actions applies to equitable remedies 21

1. Only the Fourth Circuit has barred the defense of laches entirely 21

2. Other circuits have rejected the Fourth Circuit's extreme position 21

CONCLUSION 26

INDEX OF AUTHORITIES

Page(s)

CASES

A.C. Aukerman Co. v. R.L. Chaides Constr. Co.,
960 F.2d 1020 (Fed. Cir. 1992) 9, 16

Adidas Am., Inc. v. Payless Shoesource, Inc.,
529 F. Supp. 2d 1215 (D. Or. 2007) 9, 12

Akers v. State Marine Lines, Inc.,
344 F.2d 217 (5th Cir. 1965) 16, 17

Albemarle Paper Co. v. Moody,
422 U.S. 405 (1975) 14

Barrois v. Nelda Faye, Inc.,
597 F.2d 881 (5th Cir. 1979) 5, 6, 8, 16, 17

In re Beaty,
306 F.3d 914 (9th Cir. 2002) 4, 8

Brundage v. U.S.,
504 F.2d 1382 (Ct. Cl. 1974) 7, 17

Cason v. United States,
471 F.2d 1225, 200 Ct.Cl. 424 (1973) 17

Chirco v. Crosswinds Communities, Inc.,
474 F.3d 227 (6th Cir. 2007) 5, 23, 24, 25

Cornetta v. United States,
851 F.2d 1372 (Fed. Cir. 1988) 16

Costello v. U.S.,
365 U.S. 265 (1961) 2, 7

Danjaq LLC v. Sony Corp.,
263 F.3d 942 (9th Cir. 2001) 8

Darnell v. W.,
2:10-CV-0281-RWS-SSC, 2011 WL 3468376 (N.D. Ga. July 12, 2011) *report and recommendation adopted*, 2:10-CV-0281-RWS, 2011 WL 3471439 (N.D. Ga. Aug. 8, 2011) . . 15

Erickson v. United States,
1 Cl. Ct. 163 (1983) 17, 18

Evergreen Safety Council v. RSA Network Inc.,
697 F.3d 1221 (9th Cir. 2012) . . 10, 11

Foster v. United States,
3 Cl. Ct. 440 (1983) *aff'd*, 733 F.2d 88 (Fed. Cir. 1984) 17

Freeman v. Gerber Prods. Co.,
466 F.Supp.2d 1242 (D. Kan. 2006) 9

Galliher v. Cadwell,
145 U.S. 368 (1892) 4, 7

Garrison v. Montgomery Cnty. Bd. of Educ.,
No. 2:05cv549-WHA (WO), 2006 U.S. Dist. LEXIS 13447 (M.D. Ala. Mar. 10, 2006) 15

Gasser Chair Co., Inc. v. Infanti Chair Mfg. Corp.,
60 F.3d 770 (Fed. Cir. 1995) . 12

Grand Canyon Trust v. Tucson Elec. Power Co.,
391 F3d 979 (9th Cir. 2004) 8

Gull Airborne Instruments, Inc. v. Weinberger,
694 F.2d 838 (D.C. Cir. 1982) 4, 7

Haugen v. Tishman Speyer Properties, L.P.,
10 C 478, 2010 WL 3781023 (N.D. Ill. Sept. 21, 2010) 15

Hearing Components, Inc. v. Shure Inc.,
600 F.3d 1357 (Fed. Cir. 2010) 9

Holmberg v. Armbrecht,
327 U.S. 392 (1946) 7, 16

Ivani Contracting Corp. v. City of New York,
103 F.3d 257 (2d. Cir. 1997) 25

Jacobsen v. Deseret Book Co.,
287 F.3d 936 (10th Cir. 2002) 5, 24

Lyons Partnership, L.P. v. Morris Costumes, Inc.,
243 F.3d 789 (4th Cir. 2001) 4, 21

Maksym v. Loesch,
937 F.2d 1237 (7th Cir. 1991) 6, 19

McCann v. Tillman,
526 F.3d 1370 (11th Cir. 2008) 15

Meyers v. Asics Corp.,
974 F.2d 1304 (Fed. Cir. 1992) 12

Mitchell v. Mitchell,
575 S.W.2d 311 (Tex. Civ. App. 1978) 19

N.A.A.C.P. v. N.A.A.C.P. Legal Def. & Educ. Fund, Inc.,
753 F.2d 131 (D.C. Cir. 1985) 8, 9, 10

Nat'l R.R. Passenger Corp. v. Morgan,
536 U.S. 101 (2002) 5, 14, 15

New Era Publications Int'l, ApS v. Henry Holt & Co., Inc.,
873 F.2d 576 (2d Cir. 1989) 4, 24, 25

O'Connor v. City of Newark,
440 F.3d 125 (3d Cir. 2006) 15

Occidental Life Ins. Co. of Cal. v. EEOC,
432 U.S. 355 (1977) 14

Peter Letterese & Assocs., Inc. v. World Inst. of Scientology Enters.,
533 F.3d 1287 (11th Cir. 2008) 4, 5, 6, 24

Porter v. Warner Holding Co.,
328 U.S. 395 (1946) 13

Pro Football, Inc. v. Harjo,
565 F.3d 880 (D.C. Cir. 2009) 9, 12

Russell v. Todd,
309 U.S. 280 (1940) 4, 6

Smith v. Caterpillar, Inc.,
338 F.3d 730 (7th Cir. 2003) 15

State Univ. Agric. & Mech. Coll. v. Smack Apparel Co.,
550 F.3d 465 (5th Cir. 2008) 11

Teamsters & Employers Welfare Trust of Illinois v. Gorman Bros. Ready Mix,
283 F.3d 877 (7th Cir. 2002) 6, 19, 20, 25

Texaco, Inc. v. Short,
454 U.S. 516 (1982) 3

United States v. Rodriguez-Aguirre,
264 F.3d 1195 (10th Cir. 2001) 24

Waddell v. Small Tube Prods., Inc.,
799 F.2d 69 (3d Cir. 1986) 18

Weinberger v. Romero-Barcelo,
456 U.S. 305 (1982) 13, 20, 21, 22

Yerxa v. United States,
11 Cl. Ct. 110 (1986) *aff'd*, 824 F.2d 978 (Fed. Cir. 1987) 5, 17

CONSTITUTION

U.S. Const. amend. VII 18

STATUTES

42 U.S.C. § 1983 15

17 U.S.C. § 507(b) 4, 6, 20, 22, 23

Civil Rights Act of 1964, Title VII 14

Lanham Act, 15 U.S.C. § 1051 *et seq*. 22

RULES

Fed. R. Civ. P. 2 18

Fed. R. Civ. P. 8(c) 16

Fed. R. Civ. P 30(b)(6) 3

Sup. Ct. R. 37 1

Sup. Ct. R. 37.6 1

OTHER AUTHORITIES

Kevin C. Baltz, Deposition of the Corporate Representative: The Scope of Rule 30(b)(6), 50 No. 2 DRI For Def. 22 (February 2008) 3

Thomas M. Jones et al., Formulating a Records Retention Policy, 50 No. 1 DRI For Def. 42 (January 2008) 2, 3

John D. Martin, et al., Defensible Disposal: Don't Kick the Can down the Road, Put It in the Trash, Vol. 65, No. 1 DRI For Def. (January 2013) 26

INTEREST OF *AMICUS CURIAE*[1]

Amicus curiae DRI—the Voice of the Defense Bar, is a 22,500-member international association of defense lawyers who represent individuals, corporations, insurance carriers, and local governments involved in civil litigation. DRI is committed to enhancing the skills, effectiveness, and professionalism of defense lawyers around the globe. A primary part of DRI's mission is to make the civil justice system more fair, efficient, and consistent. See http://www.dri.org/About. To that end, DRI participates as amicus curiae in cases that raise issues of importance to its membership and to the judicial system. This is such a case.

DRI's interest in this case stems from its members' extensive involvement in civil litigation. DRI focuses on teaching its members key trial skills through its publications and seminars. And DRI works to assure that the civil litigation system is adequately funded, operates under appropriate rules, and applies substantive legal principles that allow for the fair and balanced resolution of disputes through the courts. DRI members' vast experience in defending lawsuits gives it a great vantage point from which to help this Court evaluate the practical effect of ruling that laches is unavailable in cases in which a litigant delays in bringing suit to the detriment of the defendant. Based on this knowledge, DRI urges the Court to rule that the

---

[1] Pursuant to Rule 37.6, amicus certifies that no counsel for a party authored this brief in whole or in part and that no person or entity, other than amicus, its members, or its counsel, has made a monetary contribution to the preparation or submission of this brief. The parties have filed written consent to the filing of amicus briefs pursuant to Rule 37.

defense of laches is available in copyright litigation and other areas of law regardless of whether the plaintiff seeks legal or equitable remedies and regardless of whether a statute of limitations applies.

Laches is at heart a practical doctrine intended to ensure fairness in trying cases. Laches requires proof of (1) lack of diligence by the party against whom the defense is asserted, and (2) prejudice to the party asserting the defense. *Costello v. U.S.*, 365 U.S. 265, 282 (1961). The focus is on whether the party asserting the doctrine has been prejudiced, which includes both expectations-based prejudice and evidentiary prejudice.

While there is some disagreement among the circuits regarding whether the defense of laches can be asserted in actions at law, the better view is that laches is properly applied to the entire cause of action. This allows a court to first ensure that a case is tried fairly – that is, determine that there is no evidentiary prejudice to the defendant – before considering whether a plaintiff is entitled to relief, be it legal or equitable.

DRI has long had a concern about the enormous difficulties of ensuring a fair trial when the events that form the basis for a claim or defense took place long ago, resulting in faded memories, lost documents, and employees who have since moved on. Corporations establish records-retention policies that typically maintain records for specific periods of time unless a litigation hold has been placed on them because litigation has commenced or is foreseeable. But claims that were not anticipated and that occur long after the events in question present difficult problems for the litigants. See Thomas M. Jones et al., Formulating a Records Retention Policy, 50 No. 1 DRI For Def. 42

(January 2008) (providing strategies for establishing a records retention policy); Kevin C. Baltz, Deposition of the Corporate Representative: The Scope of Rule 30(b)(6), 50 No. 2 DRI For Def. 22, 25-26 (February 2008) (instructing members that a corporation's duty to present a Rule 30(b)(6) representative "is not relieved by a lack of any witnesses with personal knowledge of the matters at issue," and in such circumstances, "a corporation must take efforts to prepare the corporative representative through all reasonably available means, including a review of all relevant documents, discussion with former employees, or other sources."). The risk of unjust outcomes skyrockets in these circumstances. And extra resources are likely to be needed to track down missing witnesses or to attempt to recover or recreate long-since discarded documents. Often even with the expenditure of those resources, the information cannot be located and the defendant's ability to mount a defense is severely handicapped. Equally important, laches, like a statute of limitations, helps preserve the resources of courts by relieving them of the burden of trying stale claims. *Texaco, Inc. v. Short*, 454 U.S. 516, 551 (1982). Thus, DRI seeks to speak here in furtherance of its mission to make the civil justice system more fair, efficient, and consistent.

SUMMARY OF ARGUMENT

DRI's overriding concern is to assure a fair trial. In copyright and other areas of law, a defendant who lacks access to critical witnesses or documents is unable to effectively mount a defense without key evidence; the factfinder at trial does not hear the whole story. The likelihood of a jury reaching the wrong result increases dramatically because the claim is based on long ago

events. Documents have been lost or destroyed and memories have faded.

The defense of laches "prevents a plaintiff who has slept on his rights from enforcing those rights against a defendant." *Peter Letterese & Assocs., Inc. v. World Inst. of Scientology Enters.*, 533 F.3d 1287, 1319 (11th Cir. 2008). Equity recognizes that "prejudice may arise from delay alone, so prolonged that in the normal course of events evidence is lost or obscured . . . " *Russell v. Todd*, 309 U.S. 280, 287-88 (1940). The availability of laches does not, however, "depend solely on the time that has elapsed between the alleged wrong and the institution of suit; it is 'principally a question of the inequity of permitting the claim to be enforced—an inequity founded upon some change in the condition or relations of the property or the parties.'" *Gull Airborne Instruments, Inc. v. Weinberger*, 694 F.2d 838, 843 (D.C. Cir. 1982), quoting *Galliher v. Cadwell*, 145 U.S. 368, 373 (1892). In other words, laches is "primarily concerned with prejudice." *In re Beaty*, 306 F.3d 914, 924 (9th Cir. 2002).

Currently, the federal circuit courts of appeals have articulated different positions on whether laches is available as a defense in copyright actions filed within the applicable three-year statute of limitations, 17 U.S.C. § 507(b). Whereas the Fourth Circuit precludes it entirely based on separation of powers principles, *Lyons Partnership, L.P. v. Morris Costumes, Inc.*, 243 F.3d 789 (4th Cir. 2001), the Second Circuit allows it for equitable remedies, *New Era Publications Int'l, ApS v. Henry Holt & Co., Inc.*, 873 F.2d 576 (2d Cir. 1989), and the Ninth Circuit in this case found that it applies

to all relief sought by petitioner.[2] Other circuits presume that the statute of limitations controls but allow for the possibility that laches may be used in "extraordinary circumstances" for certain remedies. *Chirco v. Crosswinds Communities, Inc.*, 474 F.3d 227, 229 (6th Cir. 2007). See also *Jacobsen v. Deseret Book Co.*, 287 F.3d 936, 950 (10th Cir. 2002), *Peter Letterese*, 533 F.3d at 1319.

In DRI's view, laches should be available as a defense against all claims, and even within an applicable statute of limitations. Where circumstances warrant, DRI members regularly raise laches as a defense in copyright actions and other areas of the law and find it critical to ensuring fairness at trial. Evidence can be lost even where a delay is relatively short. The better-reasoned decisions and this Court have recognized the possibility of prejudice even where actions are brought within the statute of limitations. See *Nat'l R.R. Passenger Corp. v. Morgan*, 536 U.S. 101 (2002) (in a timely Title VII suit for hostile work environment that involves incidents from beyond the statutory period, an employer may raise a laches defense if the plaintiff unreasonably delays in filing a suit and as a result harms the defendant); *Yerxa v. United States*, 11 Cl. Ct. 110, 115 (1986) aff'd, 824 F.2d 978 (Fed. Cir. 1987) (laches is available in military pay cases as a bar to a plaintiff's claim brought within the six-year statute of limitations.) ; *Barrois v. Nelda Faye,*

---

[2] Petitioner brought claims for copyright infringement, unjust enrichment, and accounting. J.A. 29-33. As respondents explain in their brief, petitioner did not seek statutory damages under the Copyright Act, but rather, an apportionment of profits. Resp. Br. 18-19.

Inc., 597 F.2d 881 (5th Cir. 1979) (timely admiralty action barred by laches where defendant had no available witnesses who had any recollection of alleged incident, and thus had not been able to investigate). Other courts have determined that laches should not be limited to equitable remedies. *Maksym v. Loesch*, 937 F.2d 1237, 1248 (7th Cir. 1991). As one court explained, laches is more akin to estoppel and should be available to defendants just as it is to plaintiffs to ensure fairness. *Teamsters & Employers Welfare Trust of Illinois v. Gorman Bros. Ready Mix*, 283 F.3d 877, 882 (7th Cir. 2002). If the Court is inclined to embrace a narrower view of its applicability, at a minimum, it should apply to equitable remedies.

ARGUMENT

The Nonstatutory Defense Of Laches Should Be Available Without Restriction To Bar All Remedies For Civil Copyright Claims Filed Within The Three-Year Statute Of Limitations Prescribed By Congress, 17 U.S.C. § 507(b).

A. Laches is a practical doctrine that must remain available to guard against stale claims and ensure fairness in litigation.

The defense of laches "prevents a plaintiff who has slept on his rights from enforcing those rights against a defendant." *Peter Letterese*, 533 F.3d at 1319. Equity recognizes that "prejudice may arise from delay alone, so prolonged that in the normal course of events evidence is lost or obscured . . . ." *Russell*, 309 U.S. at 287-88. Accordingly, laches requires proof of (1) lack of diligence by the party against whom the defense is

asserted, and (2) prejudice to the party asserting the defense. *Costello*, 365 U.S. at 282. Amicus curiae DRI is concerned with the prejudice inherent in defending against stale claims and submits that it is necessary to maintain the availability of the defense of laches in copyright cases and other causes of action, regardless of whether the relief sought is legal or equitable and regardless of whether there is an applicable statute of limitations.

This Court has long recognized the "salutary policy" behind the common law doctrine of laches, which arose out of the common law courts' experience with the practical problems created when litigants delay bringing claims. *Id.* It does not "depend solely on the time that has elapsed between the alleged wrong and the institution of suit; it is 'principally a question of the inequity of permitting the claim to be enforced—an inequity founded upon some change in the condition or relations of the property or the parties.'" *Gull Airborne Instruments*, 694 F.2d at 843, quoting *Galliher*, 145 U.S. at 373. See also *Holmberg v. Armbrecht*, 327 U.S. 392, 396 (1946). One court has succinctly stated the effect and rationale of laches as follows:

> Laches is a "fairness" doctrine . . . based upon considerations of public policy, which require, for the peace of society, the discouragement of stale demands. It recognizes the need for speedy vindication or enforcement of rights, so that courts may arrive at safe conclusions as to the truth.

Brundage v. U.S., 504 F.2d 1382, 1384 (Ct. Cl. 1974). Thus, "[p]laintiffs are encouraged to file suits when courts are in the best position to resolve disputes."

N.A.A.C.P. v. N.A.A.C.P. Legal Def. & Educ. Fund, Inc., 753 F.2d 131, 137 (D.C. Cir. 1985). Not only do stale claims result in loss of critical evidence, but "equitable boundaries blur as defendants invest capital and labor into their claimed property; and plaintiffs gain the unfair advantage of hindsight, while defendants suffer the disadvantage of an uncertain future outcome." *Id.* In other words, laches is "primarily concerned with prejudice." *In re Beaty*, 306 F.3d at 924.

These problems are apparent in this and other cases in which a litigant waits decades before bringing a claim. When a delay "precludes any reasonable possibility of defendant's gathering evidence ... or conducting an effective investigation of the circumstances surrounding the alleged incident" laches should be applied. *Barrois*, 597 F.2d at 885. Absent prejudice, the laches defense does not apply. *Grand Canyon Trust v. Tucson Elec. Power Co.*, 391 F3d 979, 988 (9th Cir. 2004). But a lack of diligence causing even a relatively short delay can severely hamper the opposing party's ability to respond to claims brought against it. Thus, courts have repeatedly held that "a brief unexcused delay that causes sufficient prejudice to the defendant is a proper ground for invocation of the doctrine." *Id.*

Two chief forms of prejudice exist in the laches context – evidentiary and expectations-based. *Danjaq LLC v. Sony Corp.*, 263 F.3d 942, 955 (9th Cir. 2001). A defendant demonstrates expectations-based prejudice "by showing that it took actions or suffered consequences that it would not have, had the plaintiff brought suit promptly." *Id.* Evidentiary prejudice "may arise by reason of a defendant's inability to

present a full and fair defense on the merits due to the loss of records, the death of a witness, or the unreliability of memories of long past events, thereby undermining the court's ability to judge the facts." *A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020, 1033 (Fed. Cir. 1992). Evidentiary prejudice "prevents a party from proving a separate claim or defense." *Hearing Components, Inc. v. Shure Inc.*, 600 F.3d 1357, 1376 (Fed. Cir. 2010). To demonstrate evidentiary prejudice, "[a] defendant must identify key witnesses or evidence whose 'absence has resulted in the [defendant's] inability to present a full and fair defense on the merits.'" *Adidas Am., Inc. v. Payless Shoesource, Inc.*, 529 F. Supp. 2d 1215, 1254 (D. Or. 2007), quoting *Freeman v. Gerber Prods. Co.*, 466 F.Supp.2d 1242, 1246 (D. Kan. 2006). Notably, it has been recognized that "evidence of prejudice is among the evidence that can be lost by delay." *Pro Football, Inc. v. Harjo*, 565 F.3d 880, 884-85 (D.C. Cir. 2009).

DRI members regularly see cases in which their clients have suffered both of these kinds of prejudice due to an unexcused delay in filing suit. The laches doctrine provides a remedy in that it disallows claims where a litigant's unexcused delay prejudices the opposing party. For example, in *N.A.A.C.P.*, 753 F.2d at 132, the NAACP brought an action against the NAACP Legal Defense Fund, its former affiliate, seeking an injunction preventing the LDF from using the initials of the association as part of its title. The organizations had separated in 1957. It was suggested in 1966 that the LDF change its name but the LDF declined. *Id.* at 135. On June 28, 1979, the NAACP's board adopted a resolution that revoked permission to use the NAACP initials, and on May 25, 1982, it

initiated suit. *Id.* at 136. Noting the NAACP's 13-year delay from when it asked the LDF to stop using the initials to when it revoked permission, the court held that, "[w]hile mere delay by itself does not bar injunctive relief, here there was substantial investment by the LDF during this considerable time lapse." *Id.* at 138. Since 1957, the LDF built up goodwill and spent over $11 million soliciting contributions, recruiting legal talent, and litigating civil rights issues using the NAACP initials. *Id.* at 134, 136. The court determined that laches precluded the NAACP's suit because "[t]he prejudice resulting from the reliance interest building during the years of delay in this case was substantial." *Id.* at 138.

The reliance interest in this case is similar to *N.A.A.C.P.* Here, petitioner waited 18 years after her copyright infringement cause of action accrued. In that time, respondents spent nearly $8.5 million promoting *Raging Bull* in the United States alone. J.A. 39-41. The court astutely observed that "the true cause of [petitioner's] delay was, as she admits, that 'the film hadn't made money' during this time period." Pet. App. 11a. In other words, petitioner waited until she saw profit, and then sought to take advantage of respondents' investments and their profits without any of their risk. As in *N.A.C.C.P.*, respondents here had a strong reliance interest as a result of their multimillion dollar marketing expenditure.

Missing witnesses and documents also create enormous burdens at trial. A typical example of evidentiary prejudice that prevents a fair trial can be seen in *Evergreen Safety Council v. RSA Network Inc.*, 697 F.3d 1221 (9th Cir. 2012). In November 2009, the

plaintiff sought a declaratory judgment of noninfringement regarding artwork in a training manual, which had been developed in 1998-1999. A year later the defendant copyright owner asserted a counterclaim for copyright infringement. *Id.* at 1225. Recognizing that there had been a ten-year delay by the defendant copyright owner in asserting its rights, the court determined that laches applied to the counterclaim. The court found evidentiary prejudice because the plaintiff's executive officer, who was involved in the negotiations with defendant owner's president, had died, and other involved employees had relocated or forgotten about important details concerning the development of the draft manual. *Id.* at 1227. Likewise, the defendant's president conceded that his own pertinent records had been destroyed. *Id.*

As the district court in this case concluded, the same type of evidentiary prejudice is present here. Two key fact witnesses, Frank Petrella's wife and Jake LaMotta's then-wife, have died and LaMotta himself is incapable of testifying, making it well-nigh impossible for defendants to mount an effective defense. Pet. App. 46a.

Notably, laches is a discretionary doctrine that ensures fairness to both sides. Maintaining the availability of the defense does not provide defendants with an unfair advantage. In fact, the burden is on the defendant to show that laches should be available. *State Univ. Agric. & Mech. Coll. v. Smack Apparel Co.*, 550 F.3d 465, 489-90 (5th Cir. 2008). "Conclusory statements that there are missing witnesses, that witnesses' memories have lessened, and that there is missing documentary evidence, are not sufficient" to

establish evidentiary prejudice. *Adidas Am., Inc.*, 529 F. Supp. 2d at 1254-55, citing *Meyers v. Asics Corp.*, 974 F.2d 1304, 1308 (Fed. Cir. 1992). Laches requires the "equitable weighing of both the length of delay and the amount of prejudice," and therefore, "it leaves the district court very broad discretion to take account of the particular facts of particular cases." *Pro Football, Inc.*, 565 F.3d at 885. Laches does not require a court to bar a suit even if the elements of laches are established. *Gasser Chair Co., Inc. v. Infanti Chair Mfg. Corp.*, 60 F.3d 770, 773 (Fed. Cir. 1995). The court has discretion to look at the equities taking into account all the facts and circumstances. *Id.* But the laches doctrine is a background concept of the common law that empowers the courts to ensure fairness in the litigation process when its elements have been satisfied and all the facts and circumstances warrant its application to bar a claim. This is vitally important in the area of copyright law because otherwise, as in this case, litigants can lie in the weeds waiting for huge investments in the protected content, and only when those investments have made the content hugely valuable, bring suit. This kind of gamesmanship undermines the litigation process by allowing for trials when one party's delay in bringing a claim severely harms the opposing party.

B. Congress enacted the Copyright Act against the backdrop of law suggesting that laches is available as a defense regardless of whether the plaintiff seeks legal or equitable relief and regardless of whether it bars a claim brought within an applicable statute of limitations.

Federal courts have long applied equitable doctrines to statutory claims, even within the statute of limitations. It is presumed that Congress is aware of the inherent equity powers of federal courts and does not intend to limit those powers unless otherwise stated. See *Weinberger v. Romero-Barcelo*, 456 U.S. 305, 313 (1982), quoting *Porter v. Warner Holding Co.*, 328 U.S. 395, 398 (1946) ("the comprehensiveness of . . . equitable jurisdiction is not to be denied or limited in the absence of a clear and valid legislative command."). It follows that this Court "do[es] not lightly assume that Congress has intended to depart from established principles." *Id.*

In decisions across diverse areas of law, various courts have recognized this principle and concluded that laches is available as a defense regardless of whether the remedy sought is legal or equitable or regardless of whether there exists an applicable statute of limitations. These decisions support DRI's position that a defendant who lacks access to the evidence necessary to ensure a fair trial should not be subjected to either an equitable or legal remedy, whether within the statute of limitations or otherwise.

1. Laches has been applied in the context of federal civil rights statutes.

This Court, in fact, has held that laches is an available defense even where the applicable law provides a statute of limitations because a defendant can still be handicapped by inordinate delay. In *Morgan*, 536 U.S. 101, the Court addressed the effect of the statute of limitations in Title VII of the Civil Rights Act of 1964. Specifically, the Court addressed whether and under what circumstances a plaintiff may pursue discrimination claims based on events occurring outside the statutory time period. *Id.* at 104-105. The Court made clear that "[e]mployers have recourse when a plaintiff unreasonably delays filing a charge." *Id.* at 121. The Court recognized that "despite the procedural protections of the statute 'a defendant in a Title VII enforcement action might still be significantly handicapped in making his defense because of an inordinate EEOC delay in filing the action after exhausting its conciliation efforts.'" *Id.*, quoting *Occidental Life Ins. Co. of Cal. v. EEOC*, 432 U.S. 355, 373 (1977). The same is true when the delay is caused by the employee, rather than by the EEOC. *Id.*, citing *Albemarle Paper Co. v. Moody*, 422 U.S. 405, 424 (1975). Accordingly, "the federal courts have the discretionary power to 'to locate a just result' in light of the circumstances peculiar to the case." *Id.*, quoting *Abermarle*, 422 U.S. at 424-425. This Court thus concluded that, "[i]n addition to other equitable defenses, . . . an employer may raise a laches defense, which bars a plaintiff from maintaining a suit if he unreasonably delays in filing a suit and as a result harms the defendant." *Id.* at 121.

A laches defense is also appropriate where an employee fails, for an unreasonable period of time, to obtain a notice of right to sue from the EEOC and the employer suffers prejudice. *Haugen v. Tishman Speyer Properties, L.P.*, 10 C 478, 2010 WL 3781023 (N.D. Ill. Sept. 21, 2010), citing *Smith v. Caterpillar, Inc.*, 338 F.3d 730, 734-35 (7th Cir. 2003) (Employer suffered material prejudice as result of employee's eight and one-half year delay in bringing Title VII action where employer would be required to locate former employees, four witnesses stated they could not remember details of employee's employment, relevant documents had been lost or destroyed, and, although district court could limit back pay so as to mitigate effects of delay, such possibility did not eliminate availability of laches defense). Notably, the Court in *Smith* observed that, "as a matter of law, [an employer] does not have an obligation to maintain its employee records indefinitely after the filing of a charge with the EEOC, 388 F.3d at 735, thus illustrating that a civil litigant's document retention policy is affected by the ability to assert laches as a defense.

Courts have further determined that the reasoning in *Morgan* applies equally to § 1983 hostile work environment claims. *Darnell v. W.*, 2:10-CV-0281-RWS-SSC, 2011 WL 3468376 (N.D. Ga. July 12, 2011) report and recommendation adopted, 2:10-CV-0281-RWS, 2011 WL 3471439 (N.D. Ga. Aug. 8, 2011), citing *McCann v. Tillman*, 526 F.3d 1370, 1373, 1378-79 & n. 10) (11th Cir. 2008); *O'Connor v. City of Newark*, 440 F.3d 125, 128 (3d Cir. 2006); *Garrison v. Montgomery Cnty. Bd. of Educ.*, No. 2:05cv549-WHA (WO), 2006 U.S. Dist. LEXIS 13447, at *37-38 (M.D. Ala. Mar. 10, 2006).

2. *Laches has been applied in the context of patent law.*

In patent actions, courts have recognized that, even where an express statute of limitations applies against a claim, laches can be asserted as a defense within the limitation period, for both legal and equitable remedies. *Aukerman*, 960 F.2d at 1030-1031. The *Aukerman* court explained that "[t]he right to interpose the equitable defense of laches in a civil action is specifically recognized in Fed.R.Civ.P 8(c)." *Id.* See also *Cornetta v. United States*, 851 F.2d 1372, 1380 (Fed. Cir. 1988) ("[U]nder Federal Rule of Civil Procedure 8(c), laches is an affirmative defense.").

3. *Laches has been applied in the context of admiralty law.*

Laches has also been held to apply in admiralty law, despite the existence of a statute of limitations. In *Barrois*, the court found that the three-year Jones Act limitations period governed the case before it, but determined that the defendant tugboat owner carried its burden of proving the elements of laches even where the claim was brought within the limitations period. *Id.* at 883. The court noted that the adoption of the three-year limitations period did not "displace the doctrine of laches," because, as an equitable doctrine, "laches is not, like limitation, a mere matter of time; but principally a question of the (equity or) inequity of permitting the claim to be enforced.'" *Id.* at 884, quoting *Holmberg*, 327 U.S. at 396. The doctrine of laches "cannot be determined merely by a reference to and a mechanical application of the statute of limitations. The equities of the parties must (also) be considered." *Id.*, quoting *Akers v. State Marine Lines,*

Inc., 344 F.2d 217, 220 (5th Cir. 1965). In *Barrois*, the defendant demonstrated evidentiary prejudice by showing that it had no available witnesses who had any recollection of the alleged incident, and thus had not been able to investigate on a firsthand basis damage caused to the pleasure boat or injuries to plaintiffs. *Id.* at 885.

4. Laches has been applied in the context of military pay statutes.

In a case addressing military pay, where laches is an available defense, the claims court explained that, in that particular area of the law, laches is often a bar to a plaintiff's claim "well short of the running of the six-year statute of limitations." *Yerxa*, 11 Cl. Ct. at 115, citing *Brundage*, 504 F.2d 1382 (three years and eight months); *Cason v. United States*, 471 F.2d 1225, 200 Ct.Cl. 424 (1973) (four years). Instead of narrowly viewing laches as constrained to the realm of equity, the *Yerxa* court noted that, "laches is an affirmative defense rather than a claim for equitable relief." 11 Cl. Ct. at 115, quoting *Foster v. United States*, 3 Cl. Ct. 440, 442 (1983) aff'd, 733 F.2d 88 (Fed. Cir. 1984). It follows that "[r]eason supports the imposition of laches because an 'inordinate lapse of time carries with it the memory and often the life of witnesses, the muniments of evidence, and other means of definitive proof.'" *Yerxa*, 11 Cl. Ct. at 115, quoting *Erickson v. United States*, 1 Cl. Ct. 163, 166 (1983). The court also recognized amicus curiae DRI's main concern, that, like a statute of limitations, "the plea of laches avers that plaintiff's allegations are well pled, but as a matter of law, it is not entitled to recover because of the strong public policy against stale claims." *Id.* Again, however,

unlike a statute of limitations, laches is a "flexible concept based on fairness and is applied in the discretion of the court. Because of such circumstance, the cause of the delay, the hardship to the defendant, the nature of the relief, and other factors must all be considered in determining its application." *Id.* (internal citations and punctuation omitted). See also *Waddell v. Small Tube Prods., Inc.*, 799 F.2d 69, 79 (3d Cir. 1986) ("Laches ... differs from the statute of limitations in that it offers the courts more flexibility, eschewing mechanical rules.").

5. *Laches is a background defense that applies across the board given the merger of law and equity.*

Hence, because this Court and others have recognized that the defense of laches is important to the integrity of trial, it should be broadly available. The Seventh Circuit has succinctly articulated the rationale for eliminating the distinction between applying laches to legal and equitable remedies.

> Not only is there a long tradition of applying equitable defenses in cases at law – indeed, fraud itself is an equitable defense typically interposed in suits at law for breach of contract – but with the merger of law and equity (Fed.R.Civ.P 2) there is no longer a good reason to distinguish between the legal and equitable character of defenses, save as the distinction may bear on matters unaffected by the merger, such as the right to trial by jury in cases at law, a right preserved in federal courts by the Seventh Amendment . . . .

Maksym, 937 F.2d at 1248. The court observed that "laches requires proof not only of unwarranted delay in bringing suit but also of harm to the defendant as a result of the delay." *Id.* Thus, laches "is really a doctrine of estoppel rather than a substitute for a statute of limitations." *Id.*, citing *Mitchell v. Mitchell*, 575 S.W.2d 311, 312 (Tex. Civ. App. 1978). It follows that, "just as various tolling doctrines can be used to lengthen the period for suit specified in a statute of limitations, so laches can be used to contract it. This is regardless of whether the suit is at law or in equity, because, as with many equitable defenses, the defense of laches is equally available in suits at law." *Teamsters & Employers Welfare Trust of Illinois*, 283 F.3d at 881.

The Seventh Circuit noted that some courts "have invoked a presumption against the use of laches to shorten the statute of limitations," and one underlying justification is that "abridging a statutory period for suit by means of a judge-made doctrine is in tension with the separation of powers." *Id.* But the court reasoned to the contrary that, "[w]hen Congress fails to enact a statute of limitations, a court that borrows a state statute of limitations but permits it to be abridged by the doctrine of laches is not invading congressional prerogatives. It is merely filling a legislative hole." *Id.* Further, the courts that eschew the use of laches do not likewise question "the use of the judge-made doctrines of equitable estoppel and equitable tolling to lengthen the statutory period." *Id.*

Accordingly, laches is the "mirror image of equitable estoppel," because the doctrine of equitable estoppel allows the plaintiff to extend the statute of limitations

if the defendant has done something that made the plaintiff reasonably believe that he had more time to sue. *Id.* Examples include the defendant's promising not to interpose the defense of the statute of limitations, concealing the cause of action from the plaintiff, or promising to pay the plaintiff's claim. *Id.* at 881-882. It follows that "if a plaintiff does something that reasonably induces the defendant to believe he won't be sued and the defendant's ability to defend himself against the plaintiff's suit is impaired as a result, the plaintiff can be barred by the defense of laches from suing." *Id.* The court thus reasonably concluded that "[w]hat is sauce for the goose (the plaintiff seeking to extend the statute of limitations) is sauce for the gander (the defendant seeking to contract it)," and therefore, laches is "a form of equitable estoppel rather than a thing apart." *Id.* at 882. In short, "[t]he only difference is which party asserts it. That is not a material difference." *Id.* Thus, to ensure fairness to both parties to a civil action, a defendant must be able to assert the defense of laches.

In this case, nothing in the language of 17 U.S.C. § 507(b) ("No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued") evidences a Congressional intent to preclude the application of laches or any other equitable remedy. *Weinberger*, 456 U.S. at 313. Amicus curiae DRI submits that the reasoning in the above-discussed cases should apply to copyright cases and any other area of law where a defendant might be prejudiced by the plaintiff's inexcusable delay, regardless of whether the action was brought within the statute of limitations and regardless of whether the relief sought is legal or

equitable. The availability of a laches defense ensures a fair trial for defendants who would otherwise suffer evidentiary prejudice.

C. At a minimum, the defense of laches in copyright actions applies to equitable remedies.

The circuits have articulated differing positions on the application of laches in copyright cases, most recognizing that circumstances can arise where even an action brought within the statute of limitations is inherently prejudicial. The better view is that the defense is available for all claims, legal and equitable.

1. Only the Fourth Circuit has barred the defense of laches entirely.

In *Lyons*, 243 F.3d 789, the Fourth Circuit held that "laches is a doctrine that applies only in equity to bar equitable actions, not at law to bar legal actions." *Id.* at 797. This position is inconsistent with the presumption that Congress is aware of the inherent equitable powers of federal courts and does not intend to limit those powers unless otherwise stated. *Weinberger*, 456 U.S. at 313. Nevertheless, the court based its decision on a separation of powers argument, stating that "a court should not apply laches to overrule the legislature's judgment as to the appropriate time limit to apply for actions brought under the statute. Separation of powers principles thus preclude us from applying the judicially created doctrine of laches to bar a federal statutory claim that has been timely filed under an express statute of limitations." *Id.* at 798. The court found this principle "equally relevant" in situations where "Congress

creates a cause of action for traditional equitable remedies, such as injunctions, and specifies a statute of limitations for that action." *Id.* The Fourth Circuit thus concluded that, "when Congress creates a cause of action and provides both legal and equitable remedies, its statute of limitations for that cause of action should govern, regardless of the remedy sought." *Id.* By contrast, the court found that "the doctrine of laches may be applied to equitable claims brought under the Lanham Act, which contains no express limitations provision." *Id.* at 799. But if the claim is one for injunctive relief, "laches would not apply" because "[a] prospective injunction is entered only on the basis of current, ongoing conduct that threatens future harm. Inherently, such conduct cannot be so remote in time as to justify the application of the doctrine of laches." *Id.*

2. *Other circuits have rejected the Fourth Circuit's extreme position.*

In this case, while noting that the statute of limitations for copyright claims in civil cases is three years, 17 U.S.C. § 507(b), and where petitioner sought relief for actions within the limitations period, the Ninth Circuit concluded that laches nevertheless barred all of plaintiff's claims[3] because her 18-year delay was inexcusable. Pet. App. 10a. The court determined that "the true cause of [petitioner's] delay

---

[3] As noted above, Petitioner brought claims for copyright infringement, unjust enrichment, and accounting. J.A. 29-33. As respondents explain in their brief, petitioner did not seek statutory damages under the Copyright Act, but rather, an apportionment of profits. Resp. Br. 18-19.

was, as she admits, that 'the film hadn't made money' during this time period." Pet. App. 11a. A delay "to determine whether the scope of proposed infringement will justify the cost of litigation" may be reasonable; but delay for the purpose of capitalizing "on the value of the alleged infringer's labor, by determining whether the infringing conduct will be profitable' is not." *Id.* (internal citations and punctuation omitted). The court also found that respondents showed expectations-based prejudice, having "incurred significant investments in promoting the film after several years elapsed following the end of the parties' exchange of letters in April 2000 without [petitioner] taking any action to carry out her threat of litigation." Pet. App. 12a-13a.

The Sixth Circuit views its position on laches in copyright cases as the "middle ground" between the Ninth and Fourth circuits, allowing the defense to be applied in "extraordinary circumstances" "to trump the statutorily-prescribed period for filing suit under § 507(b). *Chirco*, 474 F.3d at 229. In that case, a real estate developer brought a copyright infringement action against an architectural design firm, alleging that it copied the developer's design for condominium buildings. By the time the suit was brought, however, 168 of the planned 252 units had been constructed, and 141 of them had been sold. *Id.*, p 230. The court determined that, "[t]o the extent that the plaintiffs in this case are seeking only monetary damages and injunctive relief, we give effect to the Sixth Circuit's presumption that the statute of limitations must prevail. However, to the extent that the relief sought is destruction of the condominium complex that allegedly infringes the plaintiffs' copyright, the facts before us suggest that this is indeed the extraordinary

case in which the defense of laches is properly interposed." *Id.* at 229. Amicus curiae DRI believes that laches should be allowed to bar all forms of relief sought by a plaintiff, and thus it agrees with the Sixth Circuit that, "a flat proscription such as that invoked by the Fourth Circuit against the defense of laches in cases involving a federal statutory claim is both unnecessary and unwise." *Id.* at 233-34.

The Tenth Circuit likewise allows for the possibility of laches in copyright claims, recognizing that "it is possible, in rare cases, that a statute of limitations can be cut short by the doctrine of laches." *Jacobsen*, 287 F.3d at 951, citing *United States v. Rodriguez-Aguirre*, 264 F.3d 1195, 1208 (10th Cir. 2001). The Eleventh Circuit is in accord. "[T]here is a strong presumption that a plaintiff's suit is timely if it is filed before the statute of limitations has run. Only in the most extraordinary circumstances will laches be recognized as a defense." *Peter Letterese*, 533 F.3d at 1321. The court added, however, that "[e]ven where such extraordinary circumstances exist . . . laches serves as a bar only to the recovery of retrospective damages, not to prospective relief." *Id.* The court found that "[p]ermitting laches to operate as a bar on post-filing damages or injunctive relief would encourage copyright owners to initiate much needless litigation in order to prevent others from obtaining effective immunity from suit with respect to future infringements." *Id.*

In *New Era Publications*, 873 F.2d 576, the Second Circuit applied laches to a permanent injunction but not to damages. That case addressed a delay of two years, during which time the holder of a copyright was aware that a book was about to be published in the

United States, and had commenced lawsuits in other countries to enjoin publication, but failed to inquire of the publisher as to the planned date of publication and failed to take any steps to enjoin publication until 12,000 copies of the book had already been printed, packed, and shipped. The Court explained, "[i]f [the plaintiff] promptly had sought an adjudication of its rights, the book might have been changed at minimal cost while there still was an opportunity to do so. At this point, however, it appears that a permanent injunction would result in the total destruction of the work since it is not economically feasible to reprint the book after deletion of the infringing material." *Id.* at 584-85. The court thus concluded that "[s]uch severe prejudice, coupled with the unconscionable delay . . . mandates denial of the injunction for laches and relegation of New Era to its damages remedy." *Id.* at 585.[4]

Thus, as demonstrated by this case, *New Era*, and *Chirco*, it is necessary to maintain laches as a defense in copyright actions, even where actions fall within the statute of limitations. Further, given that laches is actually a doctrine of estoppel, *Teamsters & Employers Welfare Trust of Illinois*, 283 F.3d at 881, it must remain an available defense to litigants regardless of

---

[4] The *New Era* court did not otherwise discuss why laches would apply to one remedy as opposed to the other, but the Second Circuit later observed in a non copyright case that "[t]he prevailing rule. . is that when a plaintiff brings a federal statutory claim seeking legal relief, laches cannot bar that claim, at least where the statute contains an express limitations period within which the action is timely." *Ivani Contracting Corp. v. City of New York*, 103 F.3d 257, 260 (2d. Cir. 1997). The court reasoned that separation of powers principles compelled this result. *Id.*

whether the remedy sought is legal or equitable. But, if this Court is inclined to limit use of the defense, at a minimum, it should be available as a defense to equitable remedies.

* * * * *

DRI members have experienced the difficulties inherent in mounting a defense where memories have faded, key individuals are no longer employed by the defendant, and documents have been lost. Maintaining documents for longer than necessary results in increased costs.[5] These well-recognized difficulties of ensuring a fair trial in the face of stale claims favor the adoption of a rule that takes these challenges into account.

CONCLUSION

For the foregoing reasons, the decision of the court of appeals should be affirmed and laches should be an available defense in copyright actions.

---

[5] See John D. Martin, et al., Defensible Disposal: Don't Kick the Can down the Road, Put It in the Trash, Vol. 65, No. 1 DRI For Def. (January 2013) (the costs associated with preserving and potentially collecting, reviewing, and producing this data can be significant).

Respectfully submitted,

MARY MASSARON ROSS
JOSEPHINE A. DELORENZO
PLUNKETT COONEY
38505 Woodward Ave., Suite 2000
Bloomfield Hills, MI 48304
(313) 983-4801
mmassaron@plunkettcooney.com

J. MICHAEL WESTON
President of DRI—The Voice of the Defense Bar
Counsel of Record
LEDERER WESTON CRAIG, PLC
118 Third Ave. SE, Suite 700
P.O. Box 1927
Cedar Rapids, IA 52406
(319) 365-1184
mweston@lwclawyers.com

Counsel for Amicus Curiae DRI – The Voice of the Defense Bar

AMICUS CURIAE BRIEF

AND
BRIEFS

No. 12-1315

Supreme Court, U.S.
FILED
NOV 21 2013
OFFICE OF THE CLERK

In The
Supreme Court of the United States

PAULA PETRELLA,

Petitioner,

v.

METRO-GOLDWYN-MAYER, INC., et al.,

Respondents.

On Writ Of Certiorari To The United States Court Of Appeals For The Ninth Circuit

BRIEF OF *AMICUS CURIAE* PROFESSOR ROBIN FELDMAN AND THE INSTITUTE FOR INNOVATION LAW OF THE UNIVERSITY OF CALIFORNIA HASTINGS COLLEGE OF THE LAW IN SUPPORT OF NEITHER PARTY

ROBIN FELDMAN
Counsel of Record
INSTITUTE FOR INNOVATION LAW
UNIVERSITY OF CALIFORNIA
HASTINGS COLLEGE OF THE LAW
200 McAllister St.
San Francisco, CA 94102
(415) 565-4661
feldmanr@uchastings.edu

COCKLE LEGAL BRIEFS (800) 225-6964
WWW.COCKLELEGALBRIEFS.COM

TABLE OF CONTENTS

Page

STATEMENT OF INTEREST OF *AMICUS CURIAE* 1

SUMMARY OF THE ARGUMENT 2

ARGUMENT 3

I. LACHES IS A NECESSARY AND REASONABLE EQUITABLE LIMITATION ON COPYRIGHT CLAIMS IN NUMEROUS FIELDS 7

A. In the Medical Arena, Laches May Be the Only Defense Available to Good-Faith Actors Against Whom Copyright Infringement Claims are Levied 8

B. Similarly, in the Emerging Technology and Software Industry, Laches May Be the Only Defense Available to Good-Faith Actors Against Whom Monetizers Levy Copyright Infringement Claims. 14

C. Equitable Estoppel Defenses Alone Fail to Address the Unintended Incentives Created by Network Effects Because Evidence of Intent May Be Lost Through Significant Delay and Knowledge of Infringement May Be Reasonably Uncertain. 19

TABLE OF CONTENTS – Continued

Page

II. LACHES IS AN INDISPENSABLE AND UNIQUE EQUITABLE LIMITATION THAT FACILITATES THE GOALS OF THE INTELLECTUAL PROPERTY SYSTEM. 22

A. Laches serves a purpose different from, and in harmony with, the Copyright Act's rolling statutory limitations period. 22

B. Equitable estoppel and other equitable defenses fail on their own adequately to balance and protect the goals of the Constitution, embodied in the Copyright Clause. 25

CONCLUSION 25

TABLE OF AUTHORITIES

Page

CASES

Blackburn v. Southern Cal. Gas Co., 14 F. Supp. 553 (S.D. Cal. 1936) 14

Carson v. Dynegy, Inc., 344 F.3d 446 (5th Cir. 2003) 19

Danjaq LLC v. Sony Corp., 263 F.3d 942 (9th Cir. 2001) 24

Haas v. Leo Feist, Inc., 234 F. 105 (S.D.N.Y. 1916) 14, 25

Hampton v. Paramount Pictures Corp., 279 F.2d 100 (9th Cir. 1960) 19

In re Rambus, Inc., Docket No. 9302 (Fed. Trade Comm'n, Aug. 2, 2006) 16

John Wiley & Sons, Ltd. v. McDonnell Boehnen Hulbert & Berghoff LLP, No. 12 C 1446, 2013 WL 505252 (N.D. Ill. 2013) 6

Lotus Dev. Corp. v. Borland Int'l Inc., 49 F.3d 807 (1st Cir. 1995), *aff'd by equally divided court*, 516 U.S. 233 (1996). 17, 18

Microsoft Corp. v. Motorola, Inc., C10-1823JLR, 2013 WL 2111217 (W.D. Wash. Apr. 25, 2013) 16

Petrella v. Metro-Goldwyn-Mayer, Inc., 695 F.3d 958 (9th Cir. 2012) 22, 23, 24, 25

Universal Pictures Co. v. Harold Lloyd Corp., 162 F.2d 354 (9th Cir. 1947) 14

TABLE OF AUTHORITIES – Continued

Page

STATUTES

17 U.S.C. § 507 22

CONSTITUTION

U.S. Const. art. I, § 8, cl. 8. ..... 13, 26

MISCELLANEOUS

About PAR, http://www4.parinc.com/About.aspx (last visited Mar. 20, 2012) 10

Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853 (codified as amended in various sections of 17 U.S.C.) 4

CARL SHAPIRO & HAL R. VARIAN, INFORMATION RULES (1999) 7

Copyright: Law Firms Sued for Submitting Prior Art to the USPTO, PATENTLY-O (Mar. 2, 2012), http://www.patentlyo.com/patent/2012/03/copyright-lawfirms-sued-for-submitting-prior-art-to-the-uspto.html 6

David Knopman, *The Initial Recognition and Diagnosis of Dementia*, 104 AM. J. MED. 2S (1998) 12

Fiona Scott Morton & Carl Shapiro, *Strategic Patent Acquisitions, available at* http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2288911 2

J. Wesson Ashford, *Screening for Memory Disorders, Dementia and Alzheimer's Disease*, 4 AGING HEALTH 399 (2008) 12

TABLE OF AUTHORITIES – Continued

Page

James E. Bessen & Michael J. Meurer, *The Direct Costs from NPE Disputes*, 99 CORNELL L. REV. (forthcoming 2014), *available at* http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2091210 2

John Newman & Robin Feldman, *Copyright and Open Access at the Bedside*, 365 NEW ENG. J. OF MED. 2449 (2011) 8

Kenneth W. Dam, *Some Economic Considerations in the Intellectual Property Protection of Software*, 24 J. LEGAL STUD. 321 (1995) 17

Kenneth Shulman et al., *IPA Survey of Brief Cognitive Screening Instruments*, 18 INT'L PSYCHOGERIATRICS 281 (2006) 10, 12

MMSE Copyright Frequently Asked Questions, 1-3 (2006), U.S. DEP'T OF VETERAN AFFAIRS, http://www.pbm.va.gov/clinicalguidance/faqsheets/MMSECopyrightFAQ.pdf (last visited Mar. 20, 2012) 10

Mark A. Lemley, *An Empirical Study of the Twenty-Year Patent Term*, 22 AIPLA Q.J. 369, 377 (1994) 16

Marshal F. Folstein, Susan Folstein & Paul R. McHugh, *"Mini-Mental State": A Practical Method for Grading the Cognitive State of Patients for the Clinician*, 12 J. PSYCHOL. RES. 189 (1975) 9

TABLE OF AUTHORITIES – Continued

Page

Megan Guess, *Angry Judge Blasts Port Trolls: "Someone Has an Awful Lot to Hide,"* Ars TECHNICA (Mar. 11, 2013), http://arstechnica.com/tech-policy/2013/03/angry-judge-blasts-porn-trolls-someone-has-an-awful-lot-to-hide/ 5

MERGES, MENELL & LEMLEY, INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE 894 (2012) 17

Pamela Samuelson, *Questioning Copyright in Standards*, 48 B.C. L. REV. 193 (2007) 17

Peter S. Menell, *An Analysis of the Scope of Copyright Protection for Application Programs*, 41 STAN. L. REV. 1045 (1988) 17

Robin Feldman, *Intellectual Property Wrongs*, 18 STAN. J.L. BUS. & FIN. 250 (2013) 20

Robin Feldman & John Newman, *Copyright at the Bedside: Should We Stop the Spread?*, 16 STAN. TECH. L. REV. 623 (2013) 8, 9, 11, 13

Ruth Martin & Desmond O'Neil, *Taxing Your Memory*, 373 THE LANCET 1997 (2009) 11

S. REP. NO. 85-1014 *reprinted in* 1957 U.S.C.C.A.N 1961 23

Sara Jeruss, Robin Feldman & Joshua Walker, *The America Invents Act 500: Effects of Patent Monetization Entities on US Litigation*, 11 DUKE L. & TECH. REV. 357 (2012) 21

TABLE OF AUTHORITIES – Continued

Page

Suits Against Individuals, PRENDA LAW INC., http://wefightpiracy.com/suits-against-individuals.php (last visited Jan. 8, 2013) 5

The New Choice: Inequitable Conduct or Copyright Infringement, PATENTLY-O (Jan. 23, 2012), http://www.patentlyo.com/patent/2012/01/copyright-license-for-ids-submissions.html.....6

Tom Ewing & Robin Feldman, *The Giants Among Us*, 2012 STAN. TECH. L. Rev. 1 (2011) 21

U.S. Copyright Office – Registering a Work, COPYRIGHT.GOV, http://www.copyright.gov/help/faq/faq-register.html (last visited January 8, 2013).....4

U.S. Copyright Office Registration No. TX0005228282 (June 8, 2000) 10

U.S. Copyright Office Registration No. TX0007369373 (Nov. 23, 2010) 10

Wendy J. Gordon & Robert G. Bone, *Copyright*, *in* 1610 ENCYCLOPEDIA OF LAW & ECONOMICS 197 (Edward Elgar 2000).....17

William H. Page & John E. Lopatka, *Network Externalities*, *in* 760 ENCYCLOPEDIA OF LAW & ECONOMICS 970 (Edward Elgar 2000).....17

STATEMENT OF INTEREST OF *AMICUS CURIAE*[1]

Amicus curiae Professor Robin Feldman is an expert in intellectual property law, particularly issues involving the sciences, intellectual property monetization, and the intersection of intellectual property and antitrust. She is a Professor of Law and Director of *amicus curiae* the Institute for Innovation Law at the University of California, Hastings College of the Law, focused on innovation at the crossroads of intellectual property and emerging technology.

Professor Feldman has testified before Congress and the California legislature on intellectual property issues, and has provided commentary for the Federal Trade Commission, the Department of Justice, and the Patent & Trademark Office. Her empirical work on patent trolling was cited in the 2013 White House Report on Patent Assertion. Professor Feldman and the Institute for Innovation Law at the University of California, Hastings College of the Law submit this brief to highlight for the Court the critical role laches plays in defining appropriate boundaries for the assertion of intellectual property rights, particularly in light of the growing trend of monetization across

---

[1] Counsel for all parties has consented to the filing of this brief, as indicated by consents lodged with the Clerk of this Court. No counsel for any party had any role in authoring this brief, and no person other than the named *amicus* and her counsel has made any monetary contribution to the preparation of this brief. *See* Rule 37.6.

all types of intellectual property, encompassing copyright, patent, trademark, and trade secret in the patent and copyright markets.

SUMMARY OF THE ARGUMENT

In recent years, a troubling trend has occurred in the intellectual property system in the United States. Large numbers of intellectual property rights have been stripped away from underlying products, repackaged, grouped, and traded as monetized assets. Some of this activity involves legitimate enforcement of rights, but much of it is opportunistic, inappropriately capitalizing on the costs and risks of litigation. Indeed, patent demands by monetizers cost U.S. companies 29 billion dollars in 2011 alone.[2] Moreover, in what economists are calling the "leaky bucket," very little of that money flowed back to inventors or innovation.[3] Only an estimated 20% of the 29 billion dollars flowed back to original inventors or went into any internal R&D by the monetizers themselves. The implications for innovation are obvious: When companies spend money trying to protect their intellectual

---

[2] *See* James E. Bessen & Michael J. Meurer, *The Direct Costs from NPE Disputes*, 99 CORNELL L. REV. (forthcoming 2014), *available at* http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2091210.

[3] *See id.*; Fiona Scott Morton & Carl Shapiro, *Strategic Patent Acquisitions, available at* http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2288911.

property position, they are not expanding; and when companies spend time thinking about patent demands, they are not inventing.

Legislatively derived limitations periods were not designed to, and cannot, effectively guard against inappropriate uses of monetized intellectual property rights. Only in the realm of equity can a necessary balance be struck, understanding the interests involved, investments made, and expectations developed among those who did not originally hold the asserted intellectual property right. Preserving the equitable defense of laches is, thus, essential to ensure the continued functioning of the intellectual property system.

ARGUMENT

A confluence of factors in intellectual property law has created unprecedented opportunities for the inappropriate assertion of intellectual property rights. Characteristics present in certain intellectual property markets are allowing rightsholders to bargain for returns well beyond the value of the rights they hold. In addition, certain intellectual property markets are experiencing a shift to monetization, in which rights that would ordinarily have garnered no return are being reconstituted and monetized. The combination of magnification and monetization is creating opportunities for behavior that is harming

innovation, creating dysfunction in markets, and wasting vast amounts of resources.

The copyright system has existed for some time with a significant percentage of shadow rights, that is, rights that are never actualized or enforced in any manner. Two factors have greatly accelerated the sheer volume of unactualized copyrights. First, in an effort to conform to international norms and treaty obligations, the United States eliminated the requirements of notice and registration in 1989.[4] Prior to that time, for copyright to attach, an author had to place a copyright notice on a work and deposit a copy with Library of Congress.[5] Since 1989, copyright has attached the moment a work is fixed in a tangible medium of expression, and fixation occurs when a work is written down, photographed, or otherwise recorded. Elimination of the notice and registration requirement has meant that vast numbers of works have gained copyright protection, effectively without notice.

Second, the explosion of digital technology and digital communication methods has increased exponentially the number of works subject to copyright. People are constantly fixing things in a tangible

---

[4] Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853 (codified as amended in various sections of 17 U.S.C.).

[5] U.S. Copyright Office – Registering a Work, COPYRIGHT.GOV, http://www.copyright.gov/help/faq/faq-register.html (last visited January 8, 2013).

medium of expression, things that would have remained inchoate in prior generations. Rather than making a phone call or engaging in a personal conversation, we email, text and Tweet. We record every moment of our friends and children's lives in still and video format, either capturing them unaltered, or manipulating them using ever-easier tools to produce our own movies, websites, and self-published works.

These changes have spawned an astoundingly vast amount of material that may be subject to claims of copyright. Modern technology has also increased the potential for harvesting copyright claims. Data mining tools may allow content creators to actualize their increasingly large numbers of rights – rights that would have previously remained unasserted. For example, a San Francisco law firm has acquired copyrights to a number of pornographic movies.[6] The firm uses digital tools, such as the torrent infringement tracker at www.youhavedownloaded.com, to find individuals purportedly infringing the copyright. The law firm then sends a letter demanding that the infringers pay a thousand dollar fine or defend themselves in court. Regardless of merit, a number of

---

[6] *Suits Against Individuals*, PRENDA LAW INC., http://wefightpiracy.com/suits-against-individuals.php (last visited Jan. 8, 2013); *see also* Megan Guess, *Angry Judge Blasts Port Trolls: "Someone Has an Awful Lot to Hide,"* ARS TECHNICA, Mar. 11, 2013, *available at* http://arstechnica.com/tech-policy/2013/03/angry-judge-blasts-porn-trolls-someone-has-an-awful-lot-to-hide/.

alleged infringers have chosen to pay quickly and quietly.

Copyright "trolling" is not, however, limited to lurid activities, but has reached into far more respectable corners. Some scientific publishers, for example, have begun suing patent attorneys for copyright infringement, contending the attorneys *must have* submitted copies of copyrighted journals as part of patent applications.[7] The United States Patent and Trademark Office ("USPTO") requires applicants to submit physical copies of relevant articles from academic journals. Patent law firms already pay for on-line access to the journals and the USPTO has access to most of the articles, as well. Nonetheless, publishers are suing on the grounds that the physical copy that was attached to the application constitutes an infringing copy.[8] One academic journal acknowledged that its research into the infringement activity consists of "trolling through USPTO records."[9]

---

[7] *See Copyright: Law Firms Sued for Submitting Prior Art to the USPTO*, PATENTLY-O (Mar. 2, 2012), http://www.patentlyo.com/patent/2012/03/copyright-lawfirms-sued-for-submitting-prior-art-to-the-uspto.html; *see also John Wiley & Sons, Ltd. v. McDonnell Boehnen Hulbert & Berghoff LLP*, No. 12 C 1446, 2013 WL 505252 (N.D. Ill. 2013).

[8] *See id.*

[9] "'Trolling through USPTO records' is the typical language used in a cease and desist letter." *See The New Choice: Inequitable Conduct or Copyright Infringement*, PATENTLY-O (Jan. 23, 2012), http://www.patentlyo.com/patent/2012/01/copyright-license-for-ids-submissions.html (last visited Jan. 8, 2013).

I. LACHES IS A NECESSARY AND REASONABLE EQUITABLE LIMITATION ON COPYRIGHT CLAIMS IN NUMEROUS FIELDS

As the above examples demonstrate, the exploitative and arguably inappropriate assertion of intellectual property rights arises in an increasing variety of contexts. To highlight the critical importance of the laches defense in the face of this ever-expanding pool of – and market for – potential copyright claims, this *amicus* brief addresses the laches defense in two traditionally unconventional but increasingly common copyright contexts – namely, standardized medical tests and assessment tools; and "interoperability" standards in emerging technology. In both contexts, the opportunity to increase the value of an intellectual property right through so-called "network effects" – when the value of a product or service increases with the number of users – [10] can encourage rightsholders to delay enforcement of copyright and other intellectual property rights, to the serious detriment of many against whom purported intellectual property rights are asserted. Because other

---

[10] *See* CARL SHAPIRO & HAL R. VARIAN, INFORMATION RULES (1999), Harvard Business School Press. ISBN 0-87584-863.X (a "network effect" is the effect one user of a good or service has on the value of that product to other people. When network effect is present, the value of a product or service is dependent on the number of others using it.).

equitable defenses do not sufficiently deter this obviously prejudicial activity, a laches defense to civil copyright claims is proper and necessary to bar unreasonably delayed claims, including those brought within statutes of limitation.

A. In the Medical Arena, Laches May Be the Only Defense Available to Good-Faith Actors Against Whom Copyright Infringement Claims are Levied

This point is well illustrated by the mounting crisis surrounding the Mini-Mental State Examination ("MMSE").[11] The MMSE is a brief, 30-point questionnaire used to assess cognitive function. It is widely used to screen for cognitive impairment in elderly patients, to follow the progress and severity of dementia, to assess the cognitive impact of an injury, stroke, psychiatric illness, and to provide a *standard*[12] measure of cognition in research studies. The MMSE test includes simple questions and problems concerning orientation in time and place, memory, attention,

---

[11] *See* John Newman & Robin Feldman, *Copyright and Open Access at the Bedside*, 365 NEW ENG. J. OF MED. 2449 (2011). C. Bree Johnston was also an essential author. *See generally* Robin Feldman & John Newman, *Copyright at the Bedside: Should We Stop the Spread?*, 16 STAN. TECH. L. REV. 623, 625-27 (2013).

[12] "Standardization" and "interoperability" standards are a recurring motif that substantively informs the laches debate. *See infra* Part I.C.

language use and comprehension, and basic motor skills.[13]

The MMSE was first published in 1975 in a scholarly article.[14] Ostensibly, at that time, the authors retained copyright interests in the test. Nonetheless, the MMSE was widely and freely distributed for *decades*. For twenty-five years or more, the test was copied and distributed innumerable times in a variety of media formats, finding its way into ubiquity through teaching materials, medical reference books, informational websites, and the internal websites of medical institutions. The widespread and free availability of the MMSE soon became its principal benefit.[15] Researchers working in different settings and at different times could compare and evaluate results measured against the same benchmark. Doctors moving from patient to patient or hospital to hospital had an easy point of reference for comparing the status of patients. As a direct result of its ready accessibility, its use for the evaluation of

---

[13] Marshal F. Folstein, Susan Folstein & Paul R. McHugh, *"Mini-Mental State": A Practical Method for Grading the Cognitive State of Patients for the Clinician*, 12 J. PSYCHOL. RES. 189-198 (1975).

[14] *Id.*

[15] "To our knowledge, the authors made no attempts to assert copyright against these uses across the decades." Feldman & Newman, *Copyright at the Bedside, supra* note 11, at 626.

cognitive impairment became a standard – and *the* standard of care.[16]

Twenty-five years later, in 2000, all this began to change when the authors transferred copyright of the MMSE to MiniMental LLC ("MiniMental"), a Massachusetts corporation they founded.[17] In March 2001, MiniMental granted Psychological Assessment Resources ("PAR") all exclusive rights to publish and license all intellectual property rights to the MMSE in all media and languages across the world.[18] Nine years later, in February 2010, PAR released a second edition of the MMSE and commenced an enforcement campaign to monetize its exclusive right to distribute the MMSE.[19]

---

[16] *See, e.g.*, Kenneth Shulman et al., *IPA Survey of Brief Cognitive Screening Instruments*, 18 INT'L PSYCHOGERIATRICS 281, 288 (2006) (survey reporting that the Mini-Mental State Exam "is the test that is most widely recognized and is considered a well-known standard benchmark. Everyone can relate to a score on the MMSE because of its widespread use and familiarity. It has become the lingua franca of cognitive screening.").

[17] U.S. Copyright Office Registration No. TX0005228282 (June 8, 2000).

[18] U.S. Copyright Office Registration No. TX0007369373 (Nov. 23, 2010).

[19] For example, PAR asked UpToDate to remove the MMSE from its website. *See MMSE Copyright Frequently Asked Questions*, 1-3 (2006), U.S. DEP'T OF VETERAN AFFAIRS, http://www.pbm.va.gov/clinicalguidance/faqsheets/MMSECopyrightFAQ.pdf (last visited Mar. 20, 2012). *See also About PAR*, http://www4.parinc.com/About.aspx (last visited Mar. 20, 2012).

As a direct consequence of MiniMental and PAR's delayed enforcement campaign, the MMSE has disappeared from the latest editions of medical textbooks, pocket guides, and clinical toolkits, and impaired clinical patient testing and diagnostics.[20] Primary care physicians, neurologists and psychiatrists in the medical field have lost an essential diagnostic "interoperability" standard that the community of medical professionals and researchers have substantially invested in for the past thirty-five years. Today, the MMSE story is poised to repeat itself again in the many tools in daily clinical use, from cognitive screening and clinical tests to prognostic indices.

The MMSE is also a prime example of how the potential for network effects can create unintended incentives to delay enforcement of intellectual property. Silence in the face of widespread adoption of the MMSE test across several decades brought about a reasonable expectation on the part of health care professionals that the test was and would continue to be freely available. Indeed, the advantages of everyone using the same test can persuade users to stay with a particular test, even if it is not the best test

---

[20] Ruth Martin & Desmond O'Neil, *Taxing Your Memory*, 373 THE LANCET 1997, 2009-10 (2009); "Given the uncertain legal terrain, doctors and researchers are quietly acquiescing to the demands of those asserting copyright in medical tests, for fear of becoming entwined in lengthy and expensive legal proceedings that could result in a costly judgment." Feldman & Newman, *Copyright at the Bedside, supra* note 11, at 625.

available.[21] In fact, in the MMSE model, medical professionals have oft noted that the MMSE has meaningful drawbacks and weaknesses, but that its current and past prevalence has nonetheless advocated for its continued use.[22] Thus, the MMSE demonstrates how network effects – i.e., representing or silently permitting free and unrestricted use – can in fact generate the lion's share of value in an intellectual property work. Accordingly, there exists a strong incentive to delay enforcement in order to increase network effect and therefore monetary worth of a work.

When the creator of a work has allowed a belief to develop that others may freely use the work, the creator should not be able to later decide that very widespread adoption of the work is a fortuitous way to make money. In these cases, the majority of the

---

[21] *Id.* at 646.

[22] *See, e.g.*, Shulman et al., *IPA Survey, supra* (survey reporting that while the MMSE has become the lingua franca of cognitive screening, it has limitations related to sensitivity, as well as cognitive biases with respect to education, culture, and language); David Knopman, *The Initial Recognition and Diagnosis of Dementia*, 104 AM. J. MED. 2S (1998) (noting that the MMSE is the most widely used quantitative mental status examination in North America, but noting that its major drawback is lack of sensitivity for detecting mild dementia). As one article author noted, the MMSE stands out more for its widespread use than for any special properties or for its clinical uniqueness. J. Wesson Ashford, *Screening for Memory Disorders, Dementia and Alzheimer's Disease*, 4 AGING HEALTH 399, 402 (2008).

supposed value of the intellectual property has been added by society, rather than by the creators. Such delayed enforcement of intellectual property rights has long been and should continue to be judged inequitable conduct, which distorts and thwarts the intent of the Copyright Clause. Conceptualizations of intellectual property in general, and copyright in particular, envision creating incentives for value that flow from the contribution of the creator,[23] rather than society's own contributions through network effects.[24] Judge Learned Hand famously explained the rationale behind laches precluding delay enforcement attempts:

> "[I]t is inequitable for the owner of a copyright, with full notice of an intended infringement, to stand inactive while the proposed infringer spends large sums of money in its exploitation, and to intervene only when his speculation has proved a success. Delay under such circumstances allows the owner to speculate without risk with the other's money; he cannot possibly lose, and he may win."

---

[23] Feldman & Newman, *Copyright at the Bedside*, *supra* note 11, at 647.

[24] *Id.*

Haas v. Leo Feist, Inc., 234 F. 105, 108 (S.D.N.Y. 1916).[25]

There is little difference between *Haas* and the circumstances surrounding the delayed enforcement in the modern MMSE scenario. In place of a single proposed infringer who reasonably relied on plaintiff's inaction or delay, the proposed infringer is the community of medical practitioners, researchers, and the general public at large who have reasonably relied – investing considerable time, money, and resources – and thereafter suffered harm upon the loss of a medical community diagnostic standard.

B. Similarly, in the Emerging Technology and Software Industry, Laches May Be the Only Defense Available to Good-Faith Actors Against Whom Monetizers Levy Copyright Infringement Claims

The issue of network effects creating harmful delaying incentives for rightsholders is especially relevant in the ever-growing emerging technology and software sphere. "Interoperability" standards enable products and services offered by different vendors to work together seamlessly.[26] Once standards are broadly

---

[25] *See also Universal Pictures Co. v. Harold Lloyd Corp.*, 162 F.2d 354 (9th Cir. 1947); *Blackburn v. Southern Cal. Gas Co.*, 14 F. Supp. 553 (S.D. Cal. 1936).

[26] The 802.11 "Wi-Fi" standard developed at the IEEE Standards Association and the H.264 video coding standard

(Continued on following page)

adopted, markets become "locked-in" and switching to a different, and even a more efficient, technology becomes prohibitively costly. After such a lock-in, owners of an intellectual property right that has been integrated into even a trivial role in an interoperability standard can leverage that right to prevent competitors or others from deploying the entire standard.

Thus, as in the MMSE example, meaningful incentives exist in the emerging technology and software sphere to "submarine" intellectual property rights and delay infringement action until network effects resulting from integrating with an interoperability standard can raise or even establish entirely the valuation of the property. To prevent this, standards development organizations generally require that companies participating in development of interoperability standards disclose and license intellectual property rights essential to the standard to others on terms that are "reasonable and non-discriminatory" ("RAND"). In an attempt to game the system, companies have occasionally affirmatively disavowed or hidden the existence of patents that go into interoperability standards in the hopes of achieving standardization's network effects. Courts have looked disfavorably upon such action and generally precluded these "submarine" patent infringement

---

developed at the International Telecommunications Union serve as prime examples of interoperable standards.

claims on theories of equitable estoppel or laches defenses.[27]

There is an obvious public benefit to interoperability standards and a public interest in ensuring that standardized technology is not held hostage by rightsholders' "submarine" enforcement.[28] *See Microsoft Corp. v. Motorola, Inc.*, C10-1823JLR, 2013 WL 2111217, ¶ 12 (W.D. Wash. Apr. 25, 2013). In *Microsoft*, Judge Robart created the first-ever framework for analyzing RAND licensing terms. Judge Robart expressly noted the potential benefits interoperability standards bring to the overall economy – namely, increased production and price competition. *Id.* Recognizing that the interoperability benefits of standards depends on broad implementation by the public, he held that licensing negotiations should take on a public character. *See id.* at ¶ 13. At its crux, the hypothetical licensing negotiation must be conducted and reviewed with the public and the benefit to the public in mind. *See id.* at ¶ 58, 64; *see also id.* at ¶ 52, 55-57.

---

[27] *See In re Rambus, Inc.*, Docket No. 9302 (Fed. Trade Comm'n, Aug. 2, 2006), *available at* http://www.ftc.gov/os/adjpro/d9302/060802commissionopinion.pdf.

[28] For a discussion on "submarine" intellectual property rights in the patent context, *see* Mark A. Lemley, *An Empirical Study of the Twenty-Year Patent Term*, 22 AIPLA Q.J. 369, 377 (1994) ("delay on the part of the inventor is intentional . . . these inventors hope to take the industry by surprise, announcing a new patent which all the participants in a mature market must license. Delay . . . need not be intentional to cause problems.).

The notion that interoperability standards are a crucial consideration in intellectual property protection is by no means radical. In the context of Internet standards, courts and commentators have reasoned that, given the exclusion of systems from copyright protection, works may be original enough in the first instance to be protectable but may lose that protection as they become standards across time.[29] For example, in *Lotus v. Borland*, the court denied copyright protection to a user interface that had become the de facto standard in the industry in part because of the collective labor of its users[30] and interoperability

---

[29] *See* Pamela Samuelson, *Questioning Copyright in Standards*, 48 B.C. L. REV. 193, 215-220 (2007) (discussing among others the case of *Mitel, Inc. v. Iqtel, Inc.*, 124 F.3d 1366 (10th Cir. 1997)).

[30] *See* Wendy J. Gordon & Robert G. Bone, *Copyright*, *in* 1610 ENCYCLOPEDIA OF LAW & ECONOMICS 197 (Edward Elgar 2000) (noting that, "if switching costs are high enough, giving copyright protection to a popular user interface that has become an industry standard can extend the copyright owner's monopoly into the computer, not just the interface market); *see also* MERGES, MENELL & LEMLEY, INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE 894, 898 (2012) ("Note on Genericide, Language, and Policing Costs"); Peter S. Menell, *An Analysis of the Scope of Copyright Protection for Application Programs*, 41 STAN. L. REV. 1045, 1066-1069 (1988). *But see* William H. Page & John E. Lopatka, *Network Externalities*, *in* 760 ENCYCLOPEDIA OF LAW & ECONOMICS 970 (Edward Elgar 2000) (arguing that limiting copyright protection for network externalities in the case of computer software could bleed over into other areas of copyright, such as fan fiction, and that weakening copyright protection allows greater competition by clones but reduces the payoff for innovators); Kenneth W. Dam, *Some Economic Considerations in the Intellectual Property Protection of Software*,

(Continued on following page)

standards considerations.[31] *Lotus Dev. Corp. v. Borland Int'l Inc.*, 49 F.3d 807, 822 (1st Cir. 1995), *aff'd*, 516 U.S. 233 (1996).

The same analytical considerations apply to the continuation of the laches defense to civil copyright claims. The laches defense focuses on what is a reasonable delay after which a rightsholder is allowed to bring suit. Framed another way, the laches defense revolves around the hypothetical negotiation between the rightsholder and an alleged infringer licensee. If the rightsholder delays unreasonably, the alleged infringer licensee may justifiably believe that there is consensus that no infringement occurred or alternatively that the rightsholder will not pursue infringement action.

When the delay is substantial and occurs without notice (or only tentative notice) to the alleged infringer licensee – as in the typical case of a "submarine" delay – prejudice abounds in several forms. An expectations-based prejudice exists because during the rightsholder's significant delay, the alleged infringer licensee took actions or suffered investment expenditures that it would not have, had the rightsholder brought suit promptly. An evidentiary prejudice exists

---

24 J. OF LEGAL STUD., 321-377 (1995) (criticizing *Lotus Dev. Corp. v. Borland Int'l Inc.*).

[31] "Indeed, to the extent that Lotus' menu is an important standard in the industry, it might be argued that any use ought to be deemed privileged." *Lotus Dev. Corp. v. Borland Int'l, Inc.*, 49 F.3d 807, 822 (1st Cir. 1995), *aff'd*, 516 U.S. 233 (1996).

because evidence may be lost, degraded, or become stale, and witnesses' memories may fade – especially in the case of proving intent and knowledge elements of an equitable estoppel defense. Finally, and most importantly, there is prejudice to the public interest of ensuring broad and continued implementation of a standard, especially following the public's significant contribution of value to the property through network effects. Laches is, thus, a necessary and reasonable equitable limitation in the broader perspective of industry standards and standard-creating bodies.

C. Equitable Estoppel Defenses Alone Fail to Address the Unintended Incentives Created by Network Effects Because Evidence of Intent May Be Lost Through Significant Delay and Knowledge of Infringement May Be Reasonably Uncertain

When delayed enforcement is done with a plaintiff's full knowledge and affirmative intent, equitable estoppel may be asserted as a defense.[32] Evidentiary

---

[32] The accused infringer must show that: (a) plaintiff knew of the accused infringer's allegedly infringing conduct; (b) plaintiff intended that the accused infringer rely upon his conduct or acted so that defendant had a right to believe it was so intended; (c) the accused infringer was ignorant of the true facts; and (d) the accused infringer detrimentally relied on plaintiff's conduct. *See Carson v. Dynegy, Inc.*, 344 F.3d 446, 453 (5th Cir. 2003) (citing Nimmer § 13.07); *Hampton v. Paramount Pictures Corp.*, 279 F.2d 100 (9th Cir. 1960).

proof of subjective intent may, however, be exceedingly difficult to discover from the asserting rightsholder, who has had ample time through delay to prepare his case. Equitable estoppel's requirement that the defendant lack knowledge of the facts is also troublesome. A good-faith defendant who has notice of potential infringement may reasonably believe that no such infringement has occurred, particularly in light of a substantial delay in bringing action. In the case of the MMSE, this considerable delay encompassed more than twenty-five years of widespread use. An enterprising plaintiff might periodically send notices of infringement to users, with no intent to pursue any claims unless and until network events or standardization creates a "lock-in" – a cunning stratagem that could, at least in theory, defeat an equitable estoppel defense.

The advent of intellectual property monetization greatly compounds the problem of network effect creating unintended incentives to delay bringing enforcement actions. The cost of testing these rights in court, combined with the possibility of large penalties, and uncertainties in intellectual property law, allow those asserting such rights to obtain returns far above the value that the intellectual property could contribute to any tangible product.[33]

---

[33] For an in-depth exploration of monetization in copyright and patent and a discussion of how rights can be used to extract economic rights above a reasonable return on investment, *see* Robin Feldman, *Intellectual Property Wrongs*, 18 STAN. J.L. BUS.

(Continued on following page)

In this context, arbitrageurs are searching for old rights that can be revived and asserted against successful products on the market. The problem is bad enough in patents, where rights last for two decades. In copyright, where the rights can continue for more than a hundred years, the prospect of resurrection of old rights is particularly troubling. In this environment, courts must be vigilant to prevent parties from legitimizing an unreasonable delay merely by transferring the right and turning good-faith actors into unknowing infringers. Courts should – indeed, must – have the discretion to decide that, after standing silent for an unreasonable amount of time, rightsholders cannot now decide that a work provides a convenient vehicle for monetization.

& FIN. 250 (2013); *see also* Sara Jeruss, Robin Feldman & Joshua Walker, *The America Invents Act 500: Effects of Patent Monetization Entities on US Litigation*, 11 DUKE L. & TECH. REV. 357 (2012); Tom Ewing & Robin Feldman, *The Giants Among Us*, 2012 STAN. TECH. L. REV. 1 (2011).

II. LACHES IS AN INDISPENSABLE AND UNIQUE EQUITABLE LIMITATION THAT FACILITATES THE GOALS OF THE INTELLECTUAL PROPERTY SYSTEM

A. Laches serves a purpose different from, and in harmony with, the Copyright Act's rolling statutory limitations period

In 1957, Congress amended the Copyright Act to include the rolling statutory limitations period in civil matters: "[n]o civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued." 17 U.S.C. § 507(b). The three-year statute of limitations begins to run from the date of the last act of infringement. In actions where ongoing infringement is alleged, the statute of limitations is an ineffective defense because the period is continuously renewed. The equitable defense of laches is layered onto the statute of limitations and allows a defendant to bar a copyright claim that has been raised after a plaintiff's unreasonable, effectively prejudicial, delay. Though the rolling statutory limitation period is codified and laches is not, each defense serves an indispensible and unique purpose for our intellectual property system, and both are essential to encourage innovation and creativity.

In his concurrence below, Judge Fletcher writes "[t]here is nothing in the copyright statute or its history to indicate that laches is a proper defense to a suit brought under the Act." *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 695 F.3d 958 (9th Cir. 2012)

(Fletcher, J., concurring). He adds that S. REP. NO. 85-1014 the three-year statute of limitations was adopted to stop plaintiffs from "forum shopping." *Id.* There is, however, language in S. REP. NO. 85-1014 acknowledging equitable considerations and defenses. "With respect to the question of specifically enumerating various equitable situations on which the statute of limitations is generally suspended, the House Judiciary Committee reached the conclusion that this was unnecessary, inasmuch as the 'federal district courts generally recognize these defenses anyway.'" S. REP. NO. 85-1014 *reprinted in* 1957 U.S.C.C.A.N. 1961, 1962. In agreeing with the House Judiciary Committee's conclusion that "federal district courts recognize these defenses anyway," the Senate acknowledged that the courts have the power to apply equitable defenses in copyright claims, despite the existence of a codified three-year statute of limitations. S. REP. NO. 85-1014 *reprinted in* 1957 U.S.C.C.A.N. 1961, 1963. The Senate Report continues, "[a] specific enumeration of certain circumstances or conditions might result in unfairnesss to some persons." S. REP. NO. 85-1014 *reprinted in* 1957 U.S.C.C.A.N. 1961, 1963. In effect, the Senate's decision not to codify the equitable defenses was purposeful. Leaving the equitable defenses to the discretion of the courts allows for flexibility in application, and furthers one of the main goals of the intellectual property system, fairness in dispute resolution.

In fact, laches is a key defense that prevents the magnification of rights, as it inhibits intellectual

property rightsholders from bargaining for returns well beyond the value of the rights they hold. Circuits that have applied laches, broadly or narrowly, use it as a mechanism to bar copyright claims brought in bad faith. "Laches is an equitable defense that prevents a plaintiff, who with full knowledge of the facts, acquiesces in a transaction and sleeps upon his rights." *Danjaq LLC v. Sony Corp.*, 263 F.3d 950-51 (9th Cir. 2001). By sleeping on his rights, a plaintiff effectively allows a defendant to continue blindly with the alleged infringement. This creates an expectations-based prejudice, which is practically shown by investment in and expansion of the business. *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 695 F.3d 953. A claim is brought after unreasonable delay "when its purpose is to capitalize on the value of the alleged infringer's labor, by determining whether the infringing conduct will be profitable." *Danjaq LLC v. Sony Corp.*, 263 F.3d at 954. Importantly, without laches, plaintiffs would only need to allege ongoing infringement to bypass the three-year statute of limitations to bring a claim after an excessive delay. While ongoing infringement is certainly feasible, it is important to evaluate such claims on a case-by-case basis, with a critical eye towards the reasons behind the plaintiff's delay in bringing the claim.

B. Equitable estoppel and other equitable defenses fail on their own adequately to balance and protect the goals of the Constitution, embodied in the Copyright Clause

Judge Learned Hand noted that "it is inequitable for the owner of a copyright, with full notice of an intended infringement, to stand inactive . . . and to intervene only when his speculation has proved a success." *Haas v. Leo Feist*, 234 F. 105, 108 (S.D.N.Y. 1916). In his concurrence below, Judge Fletcher argues that, in *Haas*, Judge Hand was invoking the concept of equitable estoppel, not laches. *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 695 F.3d 958-59 (9th Cir. 2012) (Fletcher, J., concurring). *Haas* is not explicit in that regard and, in fact, Judge Hand's focus on the inequity of the plaintiff's acquiescence in the defendant's conduct until the claim was ripe for capitalization demonstrates that laches is appropriate in contexts involving unreasonable delay.

CONCLUSION

With the advent of intellectual property monetization, and as highlighted by two discrete but by no means singular examples, standardized medical tests and assessment tools and "interoperability" standards in emerging technology, the opportunity to increase the value of an intellectual property right through so-called "network effects" can encourage the delay of enforcement of copyright and other intellectual

property rights. This delay interferes with the core purpose of the Copyright Clause, as innovators are forced to spend their time handling patent demands instead of inventing. Because other equitable defenses do not sufficiently protect against such obviously prejudicial schemes, a laches defense to civil copyright claims is proper to bar unreasonably delayed claims, including those brought within statutes of limitation. Laches provides a uniquely flexible and effective guard against inappropriate uses of monetized intellectual property rights, and its preservation is essential to the proper functioning of the intellectual property system in the United States.

Respectfully submitted,

ROBIN FELDMAN
Counsel of Record
INSTITUTE FOR INNOVATION LAW
UNIVERSITY OF CALIFORNIA
HASTINGS COLLEGE OF THE LAW
200 McAllister St.
San Francisco, CA 94102
(415) 565-4661
feldmanr@uchastings.edu

AMICUS CURIAE BRIEF

RECORD
AND
BRIEFS

Supreme Court, U.S.
FILED
NOV 2 2 2013
OFFICE OF THE CLERK

No. 12-1315

In the Supreme Court of the United States

PAULA PETRELLA,

Petitioner

v.

METRO-GOLDWYN-MAYER, INC., et al.,

Respondents

ON WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

BRIEF OF DOUGLAS LAYCOCK, MARK P. GERGEN, AND DOUG RENDLEMAN AS AMICI CURIAE IN SUPPORT OF NEITHER SIDE

DOUGLAS LAYCOCK
Counsel of Record
University of Virginia
Law School
580 Massie Road
Charlottesville, VA 22903
dlaycock@virginia.edu
(434) 243-8546

WILSON-EPES PRINTING CO., INC. – (202) 789-0096 – WASHINGTON, D. C. 20002

Library of Congress
Law Library

TABLE OF CONTENTS

Table of Authorities iii

Interest of Amici 1

Summary of Argument 1

Argument 4

I. This Case Should Not Call into Question the Separate-Accrual Rule. 4

II. Laches and Estoppel Protect Substantial and Legitimate Reliance Not Protected by the Separate-Accrual Rule. 7

A. In Some Separate-Accrual Cases, Substantial and Legitimate Reliance Is Not Fully Protected by the Separate-Accrual Rule Alone. 7

B. The Reliance Claim in This Case Is Dubious, but We Take No Position on Its Sufficiency. 9

C. Congressional Silence Should Not Be Taken to Repeal Background Principles of Common Law or Equity. 13

1. Statutory Text 13

2. A Mistaken Inference from Legislative History 16

D. Laches or Estoppel Should Apply to Both Legal and Equitable Remedies Under the Copyright Act. 18

1. Remedies Under the Copyright Act 18

2. Estoppel 20

3. Laches 23

III. *eBay v. MercExchange* Casts No Light on This Case 26

A. *eBay* Does Not Preclude Consideration of Relevant Doctrines Not Mentioned in Its Four-Part Test. 26

B. The Four-Part Test in *eBay* Has Had Serious Unintended Consequences. 28

Conclusion 36

Appendix: Identifying the Amici 1a

TABLE OF AUTHORITIES

Cases

A.C. Aukerman Co. v. R.L. Chaides Construction Co., 960 F.2d 1020 (Fed. Cir. 1992) (en banc) 25

Amoco Production Co. v. Village of Gambell, 480 U.S. 531 (1987) 29-30

Ashcroft v. ACLU, 542 U.S. 656 (2004) 30

Bay Area Laundry & Dry Cleaning Pension Trust Fund v. Ferbar Corp., 522 U.S. 192 (1997) 4

BFP v. Resolution Trust Corp., 511 U.S. 531 (1994) 15

Board of Trade v. Johnson, 264 U.S. 1 (1924) 22

Brown v. Swann, 35 U.S. (10 Pet.) 497 (1836) 15

Carson v. Dynegy, Inc., 344 F.3d 446 (5th Cir. 2003) 22

City of Harrisonville v. W.S. Dickey Clay Mfg. Co., 289 U.S. 334 (1933) 33

Cope v. Anderson, 331 U.S. 461 (1947) 23

Dairy Queen, Inc. v. Wood, 369 U.S. 469 (1962) 19

Danjaq LLC v. Sony Corp., 263 F.3d 942 (9th Cir. 2001) 9

Davis v. The Gap, Inc., 246 F.3d 152 (2d Cir. 2001) .. 7

Deltak, Inc. v. Advanced Systems, Inc., 767 F.2d 357 (7th Cir. 1985) 7

eBay Inc. v. MercExchange, L.L.C., 547 U.S. 388 (2006) ..... ii, 3-4, 26-29, 33-35

Farmer v. Brennan, 511 U.S. 825 (1994) 31

Feltner v. Columbia Pictures Television, Inc.,
523 U.S. 340 (1998) 18-19

Garbitelli v. Town of Brookfield,
987 A.2d 327 (Vt. 2009) 21

Geddes v. Mill Creek Country Club, Inc.,
751 N.E.2d 1150 (Ill. 2001) 21

Glus v. Brooklyn Eastern District Terminal,
359 U.S. 231 (1959) 17

Hanover Shoe, Inc. v. United Shoe Machinery Corp., 392 U.S. 481 (1968) 4-6

Hecht Co. v. Bowles, 321 U.S. 321 (1944) 15

HGI Associates, Inc. v. Wetmore Printing Co.,
427 F.3d 867 (11th Cir. 2005) 22

Holmberg v. Armbrecht, 327 U.S. 392 (1946) 14

Kirk v. Hamilton, 102 U.S. 68 (1880) 20-22

Klehr v. A.O. Smith Corp., 521 U.S. 179 (1997) 4-6

Kontrick v. Ryan, 540 U.S. 443 (2004) 17

McAllister v. FDIC,
87 F.3d 762 (5th Cir. 1996) 17-18

McLean v. Fleming, 96 U.S. (6 Otto) 245 (1877) 12

Mertens v. Hewitt Associates, 508 U.S. 248 (1993) ..24

NAACP v. NAACP Legal Defense & Educational Fund, Inc., 753 F.2d 131 (D.C. Cir. 1985) 7-8, 10

Nken v. Holder, 556 U.S. 418 (2009) 30

Ohio Oil Co. v. Conway, 279 U.S. 813 (1929) 30

Pennsylvania v. West Virginia,
262 U.S. 553 (1923) 31

Plymouth Foam Products, Inc. v. City of Becker,
120 F.3d 153 (8th Cir. 1997) 21

Romero-Barcelo v. Brown,
643 F.2d 835 (1st Cir. 1981) 29

Romero-Barcelo v. Brown,
478 F. Supp. 646 (D.P.R. 1979) 29

Sebelius v. Auburn Regional Medical Center,
133 S. Ct. 817 (2013) 17

Sheldon v. Metro-Goldwyn Pictures Corp.,
309 U.S. 390 (1940) 19-20

Terrace v. Thompson, 263 U.S. 197 (1923) 32

Twin-Lick Oil Co. v. Marbury,
91 U.S. (1 Otto) 587 (1875) 11

Weinberger v. Romero-Barcelo,
456 U.S. 305 (1982) 15, 29-30

Winter v. Natural Resources Defense Council, Inc.,
555 U.S. 7 (2008) 30-32

Youngblood v. Auto-Owners Insurance Co.,
158 P.3d 1088 (Utah 2007) 21

Zenith Radio Corp. v. Hazeltine Research, Inc.,
401 U.S. 321 (1971) 4

Statutes and Legislative History

Copyright Act

generally 2-3, 6, 13, 16-18, 20, 24

17 U.S.C. §502 (2006) 13, 18

17 U.S.C. §503 (Supp. V 2011) 18

17 U.S.C. §504(b) (2006) 10, 18

17 U.S.C. §504(c) (2006 & Supp. V 2011)...6, 18-19

17 U.S.C. §507 (2006) 24

House Report 85-150.....14, 16-17

Senate Report 85-1014.....14, 16-17

Patent Act

generally.....13

35 U.S.C. §283 (2006) 13

Secondary Authorities

T. Leigh Anenson, *The Triumph of Equity: Equitable Estoppel in Modern Litigation*, 27 Rev. Litig. 377 (2008).....20-21

Dan B. Dobbs, *Law of Remedies* (2d ed., West 1993).....12, 21, 31-32

James M. Fischer, *Understanding Remedies* (2d ed., Matthew Bender 2006) 31-33

Mark P. Gergen, *Towards Understanding Equitable Estoppel*, in *Structure and Justification in Private Law* 319 (C.E.F. Rickett & Ross Grantham, eds.) (Oxford 2008).....21, 23

Mark P. Gergen, John M. Golden, & Henry E. Smith *The Supreme Court's Accidental Revolution? The Test for Permanent Injunctions*, 112 Colum. L. Rev. 203 (2012).....26, 28, 31, 33-34

Douglas Laycock, *The Death of the Irreparable Injury Rule* (Oxford 1991).....32, 34

Douglas Laycock, *Modern American Remedies* (4th ed., Aspen 2010) 22, 31

Douglas Laycock, *The Neglected Defense of Undue Hardship (and the Doctrinal Train Wreck in Boomer v. Atlantic Cement)*, 4 J. Tort Law, Issue 3, Article 3 (2012), available at http://www.degruyter.com/view/j/jtl.2011.4.issue-3/issue-files/jtl.2011.4.issue-3.xml.....33

Douglas Laycock, *The Triumph of Equity*, 56 L. & Contemp. Probs. No. 3, at 53 (Summer 1993) 25

Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* (Matthew Bender 2013).....18-19

John Norton Pomeroy, *A Treatise on Equity Jurisprudence* (Bancroft-Whitney, 5th ed. 1941).....23

Doug Rendleman, *The Trial Judge's Equitable Discretion Following eBay v. MercExchange*, 27 Rev. Litig. 63 (2007).....29

Restatement (Third) of Restitution and Unjust Enrichment (2011).....7, 10, 19

Joseph Story, *Commentaries on Equity Jurisprudence* (4th ed., Little Brown 1846).....19, 34-35

INTEREST OF AMICI

Amici Douglas Laycock, Mark Gergen, and Doug Rendleman teach and write about the law of Remedies, including equitable defenses.[1] Individual amici are further described in the Appendix. Amici's interest in this case is to clarify a set of doctrines that has been the subject of considerable confusion. With both parties and the courts below taking all-or-nothing positions, bad facts could easily make bad law. We do not undertake to evaluate the facts or resolve the dispute, but the appropriate solution is most likely somewhere between the positions of the parties.

SUMMARY OF ARGUMENT

I. The separate-accrual rule is well-settled and sound. It prohibits recovery of all damages to plaintiff or profits to defendant from sales of infringing works more than three years before the date the complaint was filed. This rule fully protects MGM's reliance interests with respect to those sales.

II. In some separate-accrual cases, there is substantial and legitimate reliance not protected by the separate-accrual rule. A defendant may slowly build up the value of an asset over many years. Or a defendant may make a large and risky investment just outside the limitations period, with the payoff

---

[1] No attorney for either party wrote any part of this brief. No person other than amici helped pay for it. Letters consenting to this brief are on file with the Clerk. Amici file this brief in their individual capacities as scholars; their universities take no position on the issues presented.

coming within the limitations period. No interpretation of the statute of limitations can deal with such cases. Courts must bring to bear a doctrine that takes account of defendant's reliance — either laches or estoppel.

Laches and estoppel protect reliance, and they should bar a claim only to the extent necessary to protect reliance. Laches or estoppel may therefore bar recovery of profits from a recent investment without barring an injunction against future uses of the infringing work. The choice is not all-or-nothing.

The facts concerning MGM's alleged reliance are undeveloped, but that reliance does not appear to be sufficient to bar all relief for Petitioner. MGM's reliance appears to consist of a series of incremental investments, most of which are fully protected by the separate-accrual rule, and none of which were a large-scale gamble. But we take no position on the sufficiency of MGM's evidence or any other factual issue in this case.

Congress's failure to mention laches in the Copyright Act should not be read to make the principle inapplicable. No statute could be implemented without reliance on background principles of judge-made law, and congressional silence should not be read to make such principles inapplicable. The Copyright Act contains a statute of limitations, but it does not mention either the separate-accrual rule on which Petitioner relies or the laches rule on which Respondent relies. Both should be available here.

A stray reference to "estoppel" in the legislative history does not indicate otherwise. That sentence was explaining an alternative that the committees

were *not* recommending; it was not explaining the bill that was enacted.

Laches or estoppel should apply to all remedies under the Copyright Act, without distinguishing legal remedies from equitable remedies. Either kind of remedy may, on occasion, be devastating to legitimate reliance interests. Estoppel is clearly available at law as well as in equity, and with respect to unreasonably delayed claims, its content is little different from that of laches. Alternatively, laches could be extended to legal claims in this context, as most other equitable defenses have been extended.

III. *eBay v. MercExchange* casts no light on this case. Its four-part test for injunctions was not intended to include all the issues relevant to the grant or denial of an injunction. Most obviously, it does not mention the elements of plaintiff's claim on the merits, and it does not mention affirmative defenses. If laches were precluded by *eBay*'s failure to mention it, the doctrine would be repealed in all injunction cases.

eBay's formulation of the law of injunctions is not quite right, and it has had large unintended consequences. *eBay* confused preliminary and permanent injunctions, even though the elements of the four-part test are fundamentally affected by whether plaintiff has proved his case.

The lower courts have read *eBay* to prohibit any presumptions concerning when injunctions are available or unavailable. Such presumptions were already well established in Justice Story's time; they are essential parts of the "traditional principles of equity." *eBay* has thus had the unintended

consequence of sweeping away a vast body of judicial experience. *eBay* need not be reconsidered in this case, but it should be reconsidered and clarified at the first opportunity.

ARGUMENT

I. This Case Should Not Call into Question the Separate-Accrual Rule.

The Court should not question the premise that underlies the Question Presented — that the statute of limitations has not run for infringing copies and sales after May 22, 2006. That is the date three years before the complaint was filed. This separate-accrual rule is both well-settled and sound.[2]

The separate-accrual rule reconciles the conflicting interests of both sides with the policy of the statute of limitations. Plaintiffs can recover for new or continuing violations within the limitations period, but such violations do not allow plaintiffs to recover for earlier violations outside the limitations period. Continuing harm from past violations is not enough; there must be new violations, which cause new harm, within the limitations period. Delay in filing suit thus has substantial consequences. Petitioner here has lost any right to complain of infringing sales from 1980 to 2006. She cannot recover her own damages, statutory

---

[2] See, e.g., *Bay Area Laundry & Dry Cleaning Pension Trust Fund v. Ferbar Corp.*, 522 U.S. 192, 208-10 (1997); *Klehr v. A.O. Smith Corp.*, 521 U.S. 179, 189-90 (1997); *Zenith Radio Corp. v. Hazeltine Research, Inc.*, 401 U.S. 321, 338 (1971); *Hanover Shoe, Inc. v. United Shoe Machinery Corp.*, 392 U.S. 481, 502 n.15 (1968); Pet. Br. 18-20.

damages, or MGM's profits for those sales, and it is now impossible to enjoin those sales.

More important, the separate-accrual rule protects MGM's reliance with respect to all sales prior to May 22, 2006. But under the separate-accrual rule, Petitioner's delay does not grant MGM a de facto perpetual license. Petitioner can still sue for infringements within the three-year period of limitations, and she can still sue for an injunction for the future.

The separate-accrual rule worked exactly as we have described it, in the face of much greater delay, in *Hanover Shoe, Inc. v. United Shoe Machinery Corp.*, 392 U.S. 481, 502 n.15 (1968). The plaintiff there sued in 1955 to challenge an allegedly monopolistic practice that had been in effect since 1912. The statute had run on all applications of that practice from 1912 to 1951, but the statute had not run on continued applications of the practice after 1951. Defendant could not acquire a perpetual license to monopolize simply because no one sued during World War I; neither could plaintiff recover damages back to 1912. The four-year statute was given full effect by limiting plaintiff's claim to those damages caused by defendant's practice in the last four years before the complaint was filed, and to an injunction for the future.

When the principal remedy at issue in a separate-accrual case is damages, the Court appropriately emphasizes that defendants' wrongful acts within the limitations period must have caused new damage to the plaintiff. See *Klehr v. A.O. Smith Corp.*, 521 U.S. 179, 190 (1997) (plaintiffs "have not shown how any new act could have caused them harm over and above the harm that the earlier acts caused"); *Hanover Shoe*,

392 U.S. at 502 n.15 ("continuing and accumulating harm").

This principle is sound, but it must be generalized to take account of the remedies available for the violation at issue. It is more likely that new infringing sales of the movie after 2006 earned profits for MGM than that they caused damages to Petitioner. The separate-accrual rule permits recovery of defendant's profits from infringing sales within three years of the complaint.

Because plaintiffs' damages and defendants' profits are often difficult to calculate in copyright cases, Congress has also provided a statutory damages remedy. 17 U.S.C. §504(c) (2006 & Supp. V 2011). These statutory damages should also be recoverable for infringing sales within three years of the filing of the complaint, provided that the plaintiff shows that there were some new actual damages or some new profits from violations within the limitations period.

Statutory damages are a substitute for the actual damages or profits that should plainly be recoverable; for the statutory plan to work, the substitute must also be recoverable. But if, as in *Klehr*, it is clear that any violations within the limitations period caused no new damages and earned defendants no new profits, the availability of statutory damages without proof should not in itself prevent the running of the limitations period. That issue might arise under some other statute providing for statutory damages, but it is quite unlikely to arise under the Copyright Act. A copyright owner always loses, and the infringer

always gains, at least the market value of what was taken — the value of a license for the infringing use.[3]

II. Laches and Estoppel Protect Substantial and Legitimate Reliance Not Protected by the Separate-Accrual Rule.

A. In Some Separate-Accrual Cases, Substantial and Legitimate Reliance Is Not Fully Protected by the Separate-Accrual Rule Alone.

The separate-accrual rule generally works quite well, protecting the legitimate interests of both sides. But occasionally, the separate-accrual rule fails to protect substantial reliance on a plaintiff's apparent acquiescence.

The separate-accrual rule may fail to protect reliance that is long lasting and cumulative, a problem that is especially likely to arise in trademark cases. Consider *NAACP v. NAACP Legal Defense & Educational Fund, Inc.*, 753 F.2d 131 (D.C. Cir. 1985), in which the Defense Fund had operated under the same name since 1936, raising money under that name, litigating cases under that name, and generally building up the value of its name. But the Defense Fund and the NAACP had become wholly separate organizations in 1957. Eventually, but not until 1982, the NAACP sued the Defense Fund for an injunction ordering the Defense Fund to drop "NAACP" from its

---

[3] See, e.g., *Davis v. The Gap, Inc.*, 246 F.3d 152, 161-72 (2d Cir. 2001); *Deltak, Inc. v. Advanced Systems, Inc.*, 767 F.2d 357, 361-64 (7th Cir. 1985); *Restatement (Third) of Restitution and Unjust Enrichment* §42 cmt. *f* (2011) (explaining why market value of a license is minimum recovery for infringement of intellectual property).

name. Under the separate-accrual rule, the statute of limitations had not run and would never run. But the court held the claim barred by laches; there was no other way to protect the Defense Fund's reliance on the NAACP's long acquiescence.

Or the separate-accrual rule may fail to protect reliance reflected in investments that can be recouped only from profits earned within the limitations period or beyond. This issue is more likely to arise in copyright cases. Suppose that in 2005, just outside the three-year limitations period, MGM had produced a remake of the original movie, spending $50 or $100 million on a new production that might have been a blockbuster hit, a total flop, or anything in between. That would undoubtedly be reliance that deserves protection. A plaintiff who had unreasonably delayed filing suit while such a movie was made should not be allowed to obtain either a judgment for all the profits or an injunction barring further distribution of the movie.

No interpretation of the statute of limitations can deal with this hypothetical or with the *NAACP* case. The separate-accrual rule taken alone would allow suit at any time despite such reliance. Abolishing the separate-accrual rule would eliminate suits in cases of continuing or repeated violations even if there were no reliance whatever. An outright pirate without the slightest belief that he had rights to the work could infringe forever if he avoided suit for the first three years. So could an infringer who sold copies out of inventory, or printed copies on demand, and made no investments in the work. Only an equitable doctrine such as laches or estoppel can reach sensible results in these cases.

Finally, to complete the picture on this point: There are contexts in which any claimed reliance is illegitimate and not deserving of protection. Courts have properly refused to protect claimed reliance by infringers who have no plausible or good-faith belief that they have a right to the work. See *Danjaq LLC v. Sony Corp.*, 263 F.3d 942, 956-58 (9th Cir. 2001) (collecting authorities). Such an infringer is not relying on the plaintiff's longtime failure to assert a claim so much as on a hope, from the very beginning, that he could get away with it. Courts have also explained this rule on the ground that an infringer with unclean hands cannot invoke the equitable defense of laches. *Id.* at 956.

B. The Reliance Claim in This Case Is Dubious, but We Take No Position on Its Sufficiency.

Much of MGM's reliance in this case is already protected by the separate-accrual rule. The rest pales in comparison to the reliance of the Defense Fund, or to the reliance in the hypothetical remake of the movie. MGM's repeated distribution of the movie through new media, through new distribution channels, and with new promotions appears to have involved modest incremental expenditures with reasonable prospects for profit on each effort and with limited potential losses.

We are told that MGM spent $8.5 million during the eighteen-year period of delay, Pet. App. 13a, but we are told very little about when these expenditures were made. MGM made one investment of $100,000 within the limitations period, and it invested $3,000,000 in 2004 and 2005 to produce an anniversary release for 2005. *Ibid.* Amici are not

familiar with the entire record, but we are aware of no information about the extent to which this anniversary investment depended on potential sales within the limitations period — after May 22, 2006. And it is clear that the court of appeals made no such distinctions. See Pet. App. 12a-14a.

To the extent that MGM's investments produced sales before May 2006, including sales of the anniversary edition in 2005 and early 2006, its reliance is fully protected by the separate-accrual rule. Unless MGM can show that all its expenditures cumulatively and continuously built up the value of the movie as an asset, as in the *NAACP* case, only the reliance that produced sales within the limitations period is relevant.

Moreover, substantial protection for this relevant reliance is built into the measure of MGM's profits. MGM is liable only for net profits; it is entitled to prove, and get full credit for, its "deductible expenses and the elements of profit attributable to factors other than the copyrighted work." 17 U.S.C. §504(b) (2006). Restitution of a wrongdoer's profits, in copyright as elsewhere, is limited to "the net profit attributable to the underlying wrong," and "[t]he object of restitution in such cases is to eliminate profit from wrongdoing while avoiding, so far as possible, the imposition of a penalty."[4]

Calculation of net profits does not entirely solve the reliance problem, in part because difficulties of proof sometimes result in defendants getting less than

---

[4] *Restatement (Third)*, *supra* note 3, §51(4). The difficulties of proof and apportionment are explored in comments *e* through *i* to §51.

full credit for their contributions. And a plaintiff who knowingly stands by to await the outcome of a large speculative investment, like the hypothetical production and release of a new movie, should be barred by laches even if the net profits can be perfectly calculated. Cf. *Twin-Lick Oil Co. v. Marbury*, 91 U.S. (1 Otto) 587, 592 (1875) ("No delay for the purpose of enabling the defrauded party to speculate upon the chances which the future may give him of deciding profitably to himself whether he will abide by his bargain, or rescind it, is allowed in a court of equity."). There is some indication that Petitioner waited until MGM had profits to sue for, but we have seen no indication that she deliberately speculated on the outcome of one risky investment.

MGM was not unaware; it knew of Petitioner's claim as soon as she did, and quite possibly sooner. Pet. App. 9a; J.A. 128. MGM relied on its own view of the matter and on Petitioner's failure to press the claim, and it relied incrementally. Petitioner waited an extremely long time for not very good reasons. Without access to the record, and with MGM's evidence directed to an all-or-nothing choice without attention to the question of how much of its reliance is not already protected by other rules, we have not undertaken to resolve issues that depend on the facts of this case. The essential points are that the lower courts should have examined MGM's claimed reliance much more closely than they did, that the timing of reliance goes far to determine its relevance, and that the magnitude of the relevant reliance matters.

The magnitude of reliance matters because the laches defense has the potential to transfer all rights in the work, at least de facto. Such a transfer should

not be based on modest reliance amounting to a small fraction of the value of the work.

Nor does the choice have to be all or nothing. "Because laches is based on prejudice to the defendant, the bar it raises should be no broader than the prejudice shown."[5] It may or may not make sense to say that Petitioner's claim to the profits from sales of the 2005 anniversary edition is barred by laches, but it almost certainly does not make sense to say that Petitioner's claim to an injunction with respect to all potential future uses of the work is barred by the reliance reflected in that one rather modest investment.

The Court long ago took note of this solution in a trademark case. "Cases frequently arise where a court of equity will refuse the prayer of the complainant for an account of gains and profits, on the ground of delay in asserting his rights, even when the facts proved render it proper to grant an injunction to prevent future infringement." *McLean v. Fleming*, 96 U.S. (6 Otto) 245, 257 (1877). This solution is even more appropriate in copyright, where the facts of cases are far less likely to involve name recognition achieved slowly and cumulatively over many years.

---

[5] 1 Dan B. Dobbs, *Law of Remedies* §2.4(4) at 106 (2d ed., West 1993).

C. Congressional Silence Should Not Be Taken to Repeal Background Principles of Common Law or Equity.

1. Statutory Text

Congress did not mention laches or estoppel in the Copyright Act. That should not be taken as an implied repeal of these longstanding principles.

No statute could be implemented without reliance on background principles of judge-made law. The Copyright Act is no exception. It provides for recovery of plaintiff's damages or defendant's profits, but it says very little about how to measure or calculate those damages or profits. It provides for injunctions but states no rules for granting or refusing injunctions. Congress does not have to codify all these background principles every time it enacts a statute, and it could not conceivably do so if it tried.

Both the Copyright Act and the Patent Act say that injunctions are to be granted on terms the court deems "reasonable." The Patent Act, but not the Copyright Act, also says that any injunction shall be granted "in accordance with the principles of equity." Compare 17 U.S.C. §502 (2006), with 35 U.S.C. §283 (2006). This contrast hardly means that "the principles of equity" are irrelevant to injunctions under the Copyright Act.

The Copyright Act includes a statute of limitations, but it does not mention the separate-accrual rule on which Petitioner relies any more than it mentions the laches rule on which Respondent relies. The Act mentions no rules for tolling its statute of limitations. The committee reports mention some but not all of the common tolling rules, and say that it is unnecessary to codify them, because the "Federal

district courts, generally, recognize these equitable defenses anyway." S. Rep. 85-1014, at 3 (quoting H.R. Rep. 85-150, at 2).[6]

Many federal statutes enacted before 1990 have no statute of limitations at all, but the Court has not interpreted congressional silence to mean that there is no limitations period. The Court has generally looked instead to the most nearly analogous state statute of limitations, and sometimes to an analogous federal statute of limitations, but Congress never said either of those things. "The implied absorption of State statutes of limitation within the interstices of the federal enactments is a phase of fashioning remedial details where Congress has not spoken but left matters for judicial determination within the general framework of familiar legal principles." *Holmberg v. Armbrecht*, 327 U.S. 392, 395 (1946).

The same could be said for any other judge-made remedial rule that Congress has neither codified, modified, nor repealed. Borrowing a state statute of limitations — a legislative enactment on an issue that had always been legislative — was a much bolder judicial innovation than applying a well-known judge-made doctrine such as laches or estoppel to an issue that legislators have generally left to judges.

When Congress says nothing about a judge-made rule such as laches, the most reasonable inference is that it did not address laches one way or the other and that it was not thinking about laches. If Congress *were* thinking about laches and if it meant to exclude laches by silence, it would have been very easy and far more effective to say in the statutory text, "Laches shall not

---

[6] The Senate Report is reprinted at 1957 U.S.C.C.A.N. 1961.

be a defense to actions under this title." There is no reason to read such a legislative bar into congressional silence.

Congress can amend or repeal such well-settled principles if it chooses, but not by merely failing to mention them. "Of course, Congress may intervene and guide or control the exercise of the court's discretion, but we do not lightly assume that Congress has intended to depart from established principles." *Weinberger v. Romero-Barcelo*, 456 U.S. 305, 313 (1982). "The great principles of equity, securing complete justice, should not be yielded to light inferences, or doubtful construction." *Brown v. Swann*, 35 U.S. (10 Pet.) 497, 503 (1836).

This Court has held that a statute providing that an injunction "shall be granted" did not abolish equitable discretion to refuse an injunction in appropriate cases, even where multiple violations of the law had been proved. "We cannot but think that if Congress had intended to make such a drastic departure from the traditions of equity practice, an unequivocal statement of its purpose would have been made." *Hecht Co. v. Bowles*, 321 U.S. 321, 329 (1944). See also *BFP v. Resolution Trust Corp.*, 511 U.S. 531, 543 (1994) (stating more generally that congressional departures from long-existing rules should not be inferred without "clearer textual guidance" than the statutory phrase at issue there). A fortiori, the Court should not infer departure from long-existing rules from congressional silence.

Petitioner's position appears to be that estoppel is available but laches is not, and that estoppel is available even with respect to long-delayed actions brought within the statute of limitations under the

separate-accrual rule. Pet. Br. 60-63. No plausible basis for that distinction appears. The Copyright Act mentions neither laches nor estoppel; if silence meant implied repeal, then both would be repealed with respect to copyright. At the very least, both would be repealed as a means of responding to long delay in filing a claim, lest they undermine the statute of limitations. The more sensible interpretation is that neither is repealed. Each is a longstanding background principle of judge-made law designed to deal with particular problems that can arise in copyright but are in no way specific to copyright. Each should presumptively apply unless Congress says otherwise.

2. A Mistaken Inference from Legislative History

The concurring opinion below quoted one sentence of the Senate Report as follows: "[C]ourts generally do not permit the intervention of equitable defenses or estoppel where there is a [statute of] limitation on the right." Pet. App. 24a (quoting S. Rep. 85-1014 (bracketed insertion by Judge Fletcher)). The Senate Report was in turn quoting the House Report, H.R. Rep. 85-150 at 2.

Petitioner does not rely on this sentence, and appropriately so. It is very clear in context that this sentence was wholly inapplicable to the bill the committees were recommending. It described what the committees were trying to avoid, *not* what they were recommending.

The sentence came at the end of a substantial discussion of a distinction between statutes of limitation that limit plaintiffs' *remedy* and those that

limit plaintiff's *right*. By this the committees meant the same distinction that this Court has sometimes described as ordinary statutes of limitations and *jurisdictional* statutes of limitations, *Sebelius v. Auburn Regional Medical Center*, 133 S. Ct. 817, 824 (2013), or as ordinary statutes of limitations and those few that are "in such 'emphatic form' as to preclude equitable exceptions," *Kontrick v. Ryan*, 540 U.S. 443, 458 (2004) (quoting a brief).

Congress believed that limitations on the *remedy* were subject to equitable tolling and that limitations on the *right* were not. S. Rep. at 3 (quoting three paragraphs from H.R. Rep. at 2). And both reports were at pains to point out that the new statute of limitations for the Copyright Act was a limitation only on the remedy, not a limitation on the right. The sentence quoted by the concurring opinion below, about limitations on the *right*, was about what Congress was trying *not* to enact. And while the sentence referred to "equitable defenses" and to "estoppel," the rules Congress was thinking about were tolling rules that extend the statute of limitations. These are not defenses but partial exceptions to the defense of limitations, and only some of them are equitable.

The committees' reference to estoppel appears in context to have referred to plaintiffs arguing that defendants are estopped from asserting the statute of limitations,[7] not to defendants arguing that plaintiffs

---

[7] See, e.g., *Glus v. Brooklyn Eastern District Terminal*, 359 U.S. 231 (1959) (defendant possibly estopped from asserting three-year statute of limitations because it assured plaintiff he had seven years to sue; whether it was reasonable to rely on that representation left to jury); *McAllister v. FDIC*, 87 F.3d 762, 767

are estopped from asserting a long delayed claim. But whatever the committees meant by estoppel, they were not excluding its use. By emphasizing that they were enacting a limit on the remedy and not on the right, they meant that they were leaving uncodified background principles in place.

There is no indication in either committee report that Congress gave any attention to the continuing or repetitive nature of many copyright infringements, to the separate-accrual rule, or to laches. And there is certainly no modification of these background principles in statutory text. They should apply here.

D. Laches or Estoppel Should Apply to Both Legal and Equitable Remedies Under the Copyright Act.

1. Remedies Under the Copyright Act

The Copyright Act provides for both legal and equitable remedies, and the reason for invoking laches or estoppel — the need to protect substantial and legitimate reliance — applies to legal as well as equitable remedies. An injunction under §502 is clearly equitable. Impoundment of infringing copies under §503 is administered by the judge, which suggests that it is viewed as equitable.[8]

Actual damages under §504(b) are clearly legal. Statutory damages under §504(c) are legal. *Feltner v.*

(5th Cir 1996) (defendant estopped from asserting limitations by its promise to pay plaintiff's claim)..

[8] See 5 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* §1407[B][1] (Matthew Bender 2013) (treating the implementation of this remedy as a matter of equitable discretion).

Columbia Pictures Television, Inc., 523 U.S. 340 (1998). It would make no sense for laches or estoppel to bar plaintiff's claim for an injunction but not her claim for statutory damages in potentially crippling amounts, up to $150,000 per infringing copy. See 17 U.S.C. §504(c)(2) (2006 & Supp. V 2011).

Recovery of the profits of an intentional wrongdoer was historically available both at law, in quasi-contract, and in equity, as accounting for profits.[9] In the copyright context, this Court has treated recovery of defendant's profits as equitable. *Sheldon v. Metro-Goldwyn Pictures Corp.*, 309 U.S. 390, 399 (1940). Nineteenth-century courts appear to have viewed the recovery of profits as relief incidental to an injunction.[10] This suggests both that the relief was granted in an equitable proceeding, *and* that it was thought that perhaps this relief could not be granted in equity if plaintiff did not also seek an injunction. In modern times, the lower courts have generally recognized a right to jury trial in suits to recover defendant's profits, relying on *Dairy Queen, Inc. v. Wood*, 369 U.S. 469 (1962),[11] thus implying that this relief is legal. But in *Dairy Queen*, the claimed accounting for profits was just a remedy on an underlying claim for breach of contract. This Court has not reviewed the jury-trial issue in the more common context of infringers who have no contract with the plaintiff.

---

[9] See *Restatement (Third)*, *supra* note 3, §4 and comments.

[10] 2 Joseph Story, *Commentaries on Equity Jurisprudence* §933 at 264 (4th ed., Little Brown 1846).

[11] 5 Nimmer & Nimmer, *supra* note 8, §14.03[E] (collecting cases).

If the Court adheres to *Sheldon*'s view that recovery of the infringer's profits is equitable, then laches plainly applies. But a plaintiff who sought to avoid the bar of laches by couching his claim for profits as legal, sounding in quasi-contract, would have a serious historical argument. (Petitioner asserts that all monetary remedies are legal, Pet. Br. 49-50, but she does not make the serious argument in support of that claim that she could have made.)

If the Court were to hold that recovery of profits under the Copyright Act is a legal remedy with historic roots in quasi-contract, it would make no sense for laches to bar an injunction against further sales but not a claim for all profits that defendant earned from infringing sales for the last three years or ever will earn forever into the future. In practical effect, these are equivalent remedies — an infringer will not sell the work if plaintiff will get all the profits — except that the injunction is more limited, because it does not reach three years into the past.

2. Estoppel

The simplest doctrinal solution to this problem is to turn to estoppel instead of laches. Estoppel undoubtedly applies to both legal and equitable claims. Pet. Br. 60-61. "The doctrine of equitable estoppel is, as its name indicates, chiefly, if not wholly, derived from courts of equity, and as these courts apply it to any species of property, there would seem no reason why its application should be restricted in courts of law." *Kirk v. Hamilton*, 102 U.S. 68, 78 (1880).[12]

---

[12] See also T. Leigh Anenson, *The Triumph of Equity: Equitable Estoppel in Modern Litigation*, 27 Rev. Litig. 377, 407-

The essence of estoppel is that one party is misled by the other and relies to his detriment. There are six-part formulations,[13] four-part formulations,[14] three-part formulations,[15] and even one-sentence formulations,[16] but all reduce to the same basic elements: misleading and detrimental reliance.

Laches and estoppel are not identical, but they are not nearly so different as Petitioner claims. "Estoppel is closely related to and sometimes identical with laches."[17] "When the basis for estoppel is conduct lulling the claimant into believing that an actor would not assert a right, claim, or defence, the actor may be estopped from asserting that right, claim, or defence."[18]

What is essential here is that an estoppel can be based on a potential plaintiff's silence or long delay in objecting when he knew, or should have known, that a potential defendant was acting in reliance on his apparent acquiescence. *Kirk v. Hamilton*, one of the

---

10 (2008) (reviewing cases and secondary authorities on longstanding availability of estoppel at law).

[13] *Geddes v. Mill Creek Country Club, Inc.*, 751 N.E.2d 1150, 1157 (Ill. 2001).

[14] *Garbitelli v. Town of Brookfield*, 987 A.2d 327, 331 (Vt. 2009); Pet. App. 26a.

[15] *Youngblood v. Auto-Owners Insurance Co.*, 158 P.3d 1088, 1092 (Utah 2007).

[16] *Plymouth Foam Products, Inc. v. City of Becker*, 120 F.3d 153, 156 (8th Cir. 1997).

[17] 1 Dobbs, *supra* note 5, §2.3(5) at 89.

[18] Mark P. Gergen, *Towards Understanding Equitable Estoppel*, in *Structure and Justification in Private Law* 319, 333 (C.E.F. Rickett & Ross Grantham, eds.) (Oxford 2008).

early cases committing this Court to the availability of estoppel at law, was a case of delay in asserting a claim to property, while the defendant expended substantial sums in improving that property. "He was silent when good faith required him to put the purchaser on guard," and therefore estopped to assert his claim. 102 U.S. at 79. See also *Board of Trade v. Johnson*, 264 U.S. 1 (1924), a dispute over transfer of a seat on the Board of Trade, where the Court said: "If the transfer is completed before objection, those who have been silent are, of course, estopped." *Id.* at 235.

There are more recent cases in the courts of appeals, including in copyright. "A copyright owner can be estopped not only by words and action but also by silence and inaction." *HGI Associates, Inc. v. Wetmore Printing Co.*, 427 F.3d 867, 875 (11th Cir. 2005). "[E]stoppel may be accomplished by a plaintiff's silence and inaction." *Carson v. Dynegy, Inc.*, 344 F.3d 446, 453 (5th Cir. 2003). Estoppel is most like laches in cases like this one, where a potential plaintiff stands by and fails to assert a claim. "The emphasis in laches is on delay; the emphasis in estoppel is on misleading .... But the difference is attenuated when defendant is misled by plaintiff's silence."[19]

An intentional misrepresentation is not merely a basis for estoppel; it is fraud. For an estoppel, the misleading statement, conduct, silence, or delay may be intentionally deceitful, or merely negligent or inadvertent; in some contexts, it may be entirely

---

[19] Douglas Laycock, *Modern American Remedies* 961 (4th ed., Aspen 2010).

innocent.[20] Estoppel is a flexible doctrine, fully adequate to the task of substituting for laches.

The eighteen-year delay in filing suit, and the doubtful justifications for that delay, on which the court of appeals relied to find unreasonable delay leading to laches, Pet. App. 9a-11a, are equally sufficient to lay the basis for estoppel. But neither defense is made out unless MGM shows sufficient reliance. And as stated above, we doubt that MGM has shown sufficient reliance to entirely bar the claim.

3. Laches

Laches is an equitable defense, developed in the first instance because statutes of limitation applied only at law. In some important classes of cases in equity — most notably, suits for breach of trust — the Chancellors did not apply the statute by analogy.[21]

Modern statutes of limitation often apply in equity, and they certainly apply to all remedies in copyright. If there is both a legal remedy and an equitable remedy for the same underlying legal wrong, the statute of limitations applies to both remedies. *Cope v. Anderson*, 331 U.S. 461, 463-64 (1947) ("For it is only the scope of the relief sought and the multitude of parties sued which gives equity concurrent jurisdiction to enforce the legal obligation here asserted. And equity will withhold its relief in

---

[20] Gergen, *supra* note 18, at 325-30 (surveying illustrative cases). Conversely, a party who would be unjustly enriched by reneging on an earlier representation may be estopped even with little in the way of reliance. *Id.* at 324.

[21] 2 John Norton Pomeroy, *A Treatise on Equity Jurisprudence* §419a at 172-73 (Bancroft-Whitney, 5th ed. 1941).

such a case where the applicable statute of limitations would bar the concurrent legal remedy.").

That at least is the general rule, and the Copyright Act codifies that rule here. The statute of limitations in §507 says that "[n]o civil action" may be brought after three years; it does not distinguish the various remedies that may be sought in a "civil action."

As Petitioner says, there is no doubt that laches historically applied only in equity. Pet. Br. 49-50. But that rule arose in a legal environment that was fundamentally different in some ways, and surprisingly similar in others. The historic understanding of laches as exclusively equitable arose when law and equity were administered in separate courts and statutes of limitations did not apply to important claims in equity.

Today, law and equity are administered in the same court, and all but the most basic points of the distinction are fading from legal memory. See *Mertens v. Hewitt Associates*, 508 U.S. 248, 256 (1993) ("memories of the divided bench, and familiarity with its technical refinements, recede further into the past"). The idea that equitable remedies are barred when legal remedies are not may be more quaint than functional.

Despite all the changes, the separate-accrual rule creates a situation much like that which faced the early Chancellors: if defendant continues to infringe, the statute of limitations may never run, and there is no way to take account of legitimate reliance interests without invoking laches or estoppel.

As already noted, the Court may respond to this conundrum by turning to estoppel instead of laches.

But the Court could also say that at least in copyright, and presumably more generally, laches applies to both legal and equitable claims if it applies at all. Most of the other equitable defenses, including fraud, estoppel, and unconscionability, and near substitutes for unclean hands and even balancing the equities, have been fully assimilated to law.[22] Laches could be assimilated as well. The Federal Circuit has already taken this step in patent cases. *A.C. Aukerman Co. v. R.L. Chaides Construction Co.*, 960 F.2d 1020, 1031 (Fed. Cir. 1992) (en banc).

Of course it would make no sense to apply laches, before the applicable statute of limitations had expired, to bar a claim for damages arising from a single fixed event. It would make no sense even if important evidence had been lost in the meantime. The plaintiff in such a case is entitled to rely on the fixed period within which to file a claim. The plaintiffs' bar does in fact rely; many claims are filed on or shortly before the last day permitted by the statute of limitations.

It is clear in this case that Petitioner did *not* rely on any fixed period in which she was permitted to file. If laches applies to Petitioner's equitable claim for an injunction, it should also apply to her legal claim for damages and for statutory damages, and for defendant's profits, no matter whether that claim is characterized as legal or equitable.

---

[22] Douglas Laycock, *The Triumph of Equity*, 56 L. & Contemp. Probs. No. 3, at 53, 70 (Summer 1993) (collecting illustrative citations).

III. *eBay v. MercExchange* Casts No Light on This Case.

Petitioner suggests that any consideration of laches is inconsistent with *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (2006). Pet. Br. 40-42. There are two problems with this argument. First, it is not a plausible interpretation of *eBay*. And second, the *eBay* formulation has miscommunicated, with serious unintended consequences. *eBay* should not be extended or built upon until it is clarified.

A. *eBay* Does Not Preclude Consideration of Relevant Doctrines Not Mentioned in Its Four-Part Test.

eBay announced a four-part test for deciding whether to grant a permanent injunction:

> A plaintiff must demonstrate: (1) that it has suffered an irreparable injury; (2) that remedies available at law, such as monetary damages, are inadequate to compensate for that injury; (3) that, considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and (4) that the public interest would not be disserved by a permanent injunction.

Id. at 391.

Obviously this four-part test was not intended to be complete or to preempt all issues not mentioned in its single sentence.[23] The test does not mention

---

[23] See Mark P. Gergen, John M. Golden, & Henry E. Smith, *The Supreme Court's Accidental Revolution? The Test for Permanent Injunctions*, 112 Colum. L. Rev. 203, 208 (2012)

success on the merits or the substantive rules applicable to plaintiff's claim. It does not mention any affirmative defense available to defendant, equitable or otherwise. It does not mention laches, estoppel, or statute of limitations; it does not mention fraud, unclean hands, waiver, or accord and satisfaction. *eBay* was a patent case, but the Court did not mention infringement, validity, or any other issue going to liability.

If all these things are excluded from injunction cases because they were not mentioned in *eBay*, they are excluded not just in patent cases, not just in copyright cases, but in all injunction cases. *eBay* was not such a wholesale repealer.

The *eBay* test addresses the question whether a successful plaintiff should get an injunction or damages. It does not address whether a plaintiff is entitled to any remedy at all, or whether he should lose for failure to prove his case on liability or to overcome an affirmative defense.

In appropriate cases, laches or estoppel can entirely bar a plaintiff's claim and preclude any remedy at all. In this case, laches or estoppel should preclude any remedy with respect to which MGM proves sufficient reliance. The application of laches or estoppel is simply not within the scope of *eBay*'s four-part test. These defenses are outside that test.

(criticizing *eBay* for omitting any mention of equitable defenses, including laches).

B. The Four-Part Test in *eBay* Has Had Serious Unintended Consequences.

The four-part test in *eBay* has caused enormous disruption in the law of injunctions. Faced with rather wooden alternatives presented by the parties and the Federal Circuit, the Court invoked "traditional principles of equity" with little help from the parties. The Court believed that it was restating "traditional principles," not making a substantial change. Chief Justice Roberts's concurring opinion suggested that few results in patent cases would be changed. But that is not what happened.

The Court's formulation somewhat misstated the principles on which it relied, and lower courts have read it to inadvertently discard a vast body of practical judicial experience that had generated useful presumptions about how the traditional principles of equity applied to recurring fact patterns. The test has had consequences in the lower courts that the Court almost certainly did not intend.[24]

That *eBay* can be invoked in good faith as Petitioner has invoked it here suggests that it may be even more disruptive than previously realized. The *eBay* test should not be extended or built upon, in this case or any other. There is no need to reconsider it here, because it is irrelevant here. But in an appropriate case, the *eBay* test should be reconsidered and clarified.

For *permanent* injunctions, there was no "traditional" four-part test on the lines the Court announced. Tests similar to the *eBay* test had

---

[24] See generally *id.* at 203-49.

appeared in only a handful of cases. "Remedies scholars had never heard of the four-part test."[25]

The Court appears to have been thinking of the four-part test for *preliminary* injunctions. The Court relied on two cases: *Amoco Production Co. v. Village of Gambell*, 480 U.S. 531 (1987), and *Weinberger v. Romero-Barcelo*, 456 U.S. 305 (1982). *Amoco* was unambiguously a preliminary injunction case. See 480 U.S. at 534 ("the Ninth Circuit directed entry of a preliminary injunction"). *Romero-Barcelo* involved an injunction intended to last only until an administrative agency granted a permit. See 456 U.S. at 310 ("The Court of Appeals ... remanded with instructions that the court order the Navy to cease the violation until it obtained a permit."). The case had been fully tried below,[26] so in a sense this was to be a short-lived "permanent" injunction, but it is impossible to learn that from this Court's opinion. These are the two cases the Court relied on in *eBay*.

In some ways, this Court treated the injunction in *Romero-Barcelo* as though it were preliminary. The Court quoted rules about "an interlocutory injunction." 456 U.S. at 312. It said that the district court, which had refused an injunction, had "temporarily, not permanently, allowed the Navy to continue its activity without a permit." *Id.* at 315. It referred to the issues "at this stage of the

---

[25] Doug Rendleman, *The Trial Judge's Equitable Discretion Following eBay v. MercExchange*, 27 Rev. Litig. 63, 76 n.71 (2007).

[26] See *Romero-Barcelo v. Brown*, 643 F.2d 835, 836 (1st Cir. 1981) ("[a]fter an extensive trial"); *Romero-Barcelo v. Brown*, 478 F. Supp. 646, 652 (D.P.R. 1979) ("The Court consolidated the preliminary and permanent injunction hearings.").

proceedings," *id.* at 320, and it said that if the permit were not forthcoming, the district court would have to reconsider its decision, *id.* On the other hand, the Court did not mention probable success on the merits.

The familiar four-part test for preliminary injunctions takes account of probable success on the merits, irreparable injury, balance of hardships, and the public interest. See, e.g., *Winter v. Natural Resources Defense Council, Inc.*, 555 U.S. 7, 20 (2008) (citing *Amoco* and *Romero-Barcelo*). There has been some variation in the stated relationship among these four parts,[27] but the four parts are a fixture in the law.

It would make no sense to say that a *permanent* injunction depends on *probable* success on the merits; by the permanent injunction stage, the plaintiff has already succeeded. The Court got back to four parts by separating irreparable injury and adequate remedy at law into two elements of the test. But with respect to remedies, these are just two names for the same thing.

---

[27] *Winter* can be read to say that these four points are separate elements that plaintiff "must establish." 555 U.S. at 20. Other cases speak in terms of balancing the four factors. See, e.g., *Nken v. Holder*, 556 U.S. 418, 433 (2009) (stay of administrative order is "an exercise of discretion" and "dependent on the circumstances of the particular case"); *Amoco*, 480 U.S. at 542 ("court must balance the competing claims of injury and must consider the effect on each party of the granting or withholding of the requested relief."); *Ohio Oil Co. v. Conway*, 279 U.S. 813, 814 (1929) (stating a consolidated query based on the degree to which each of the four factors is present). See also *Ashcroft v. ACLU*, 542 U.S. 656, 670 (2004) (discussing "important practical reasons" for a preliminary injunction, which implies an all-things-considered balancing approach.)

What makes an injury irreparable is precisely that no legal remedy can repair it.[28]

Perhaps to create some distinction between the first two elements of its test, the Court put irreparable injury in the past tense ("has suffered"), and adequate remedy at law in the present tense ("are inadequate"). But "has suffered" irreparable injury cannot be taken literally; it would eliminate the well-settled principle that injunctions are available to prevent irreparable injury that is imminently or certainly threatened. "One does not have to await the consummation of threatened injury to obtain preventive relief." *Farmer v. Brennan*, 511 U.S. 825, 845 (1994) (quoting *Pennsylvania v. West Virginia*, 262 U.S. 553, 593 (1923)). See also *Winter*, 555 U.S. at 20 (at preliminary injunction stage, plaintiff must show "that he is *likely to suffer* irreparable harm") (emphasis added).

There is a more fundamental problem with copying the test for preliminary injunctions and applying it without further explanation to permanent injunctions. Although some of the phrases are the same, their meaning is very different. At the permanent injunction stage, the plaintiff has proved his case and won on the merits; at the preliminary injunction stage, he has done neither. This is a distinction of fundamental importance.

Courts at the preliminary relief stage routinely find that damages will be an adequate remedy for

---

[28] See 1 Dobbs, *supra* note 5, §2.5(1) at 124-25; James M. Fischer, *Understanding Remedies* §21.1 at 201-02 (2d ed., Matthew Bender 2006); Laycock, *supra* note 19, at 380-81; Gergen, Golden, & Smith, *supra* note 23, at 209 & n.27.

injuries they would consider irreparable after a full trial.[29] At the permanent injunction stage, the irreparable injury rule is rather easily satisfied[30] — unless on the particular facts the injunction raises some difficulty, and then it is that difficulty, rather than the adequacy of legal remedies, that makes the injunction unavailable.[31] For a permanent injunction to be precluded by an adequate legal remedy, without more, "the legal remedy must be as complete, practical, and efficient as that which equity could afford." *Terrace v. Thompson*, 263 U.S. 197, 214 (1923).[32]

The balance of hardships varies in similar ways. At the preliminary injunction stage, harm to each side is sensibly balanced in light of the probability of success; hardship counts for more if it is probably unlawful and undeserved. Courts speak of the balance of hardships "tipping" one way or the other. See, e.g., *Winter*, 555 U.S. at 26 ('the balance of equities and consideration of the overall public interest in this case tip strongly in favor of the Navy.").

---

[29] See Douglas Laycock, *The Death of the Irreparable Injury Rule* 111-17 (Oxford 1991) (collecting and analyzing examples). See also 1 Dobbs, *supra* note 5, §2.11(2) at 253 (explaining that the test differs at the two stages because "[i]n preliminary relief cases the irreparable harm requirement serves a special purpose; it provides a barrier against the easy use of public power without a trial."); Fischer, *supra* note 28, §33.2 at 299-300 (elaborating the differences between the two stages).

[30] See Laycock, *supra* note 29, at 37-98.

[31] See *id.* at 133-236.

[32] See *id.* at 35-36 nn. 80-81 (collecting authorities).

But at the permanent injunction stage, plaintiff has proved his case and defendant is an adjudicated wrongdoer. Hardship to defendant is a defense only if it is greatly disproportionate to the hardship to plaintiff of denying an injunction. "Where substantial redress can be afforded by the payment of money and issuance of an injunction would subject the defendant to *grossly disproportionate hardship*, equitable relief may be denied although the nuisance is indisputable." *City of Harrisonville v. W.S. Dickey Clay Manufacturing Co.*, 289 U.S. 334, 338 (1933) (emphasis added).[33]

Because such disproportionate hardship arises only occasionally, undue hardship at the permanent injunction stage is better thought of as a defense to be raised and proved by defendant than as something plaintiff must disprove in every injunction case.[34] Similarly with the public interest: a public interest distinct from the interests of the parties can be very important when it is present, but such interests arise

---

[33] See generally Douglas Laycock, *The Neglected Defense of Undue Hardship (and the Doctrinal Train Wreck in Boomer v. Atlantic Cement)*, 4 J. Tort Law, Issue 3, Article 3 (2012), available at http://www.degruyter.com/view/j/jtl.2011.4.issue-3/issue-files/jtl.2011.4.issue-3.xml; Fischer, *supra* note 28, §31.2.3 at 265 (contrasting balance of hardships at the two stages).

[34] See Laycock, *supra* note 33 (characterizing undue hardship as a defense); Gergen, Golden, & Smith, *supra* note 23, at 227 ("Notably, when balance-of-hardships concerns enter through the undue-hardship defense, the right violator bears a considerable burden of production from the start, a situation that contrasts with that under an *eBay* test unsupplemented by any presumptions in favor of the right holder.").

only occasionally, and plaintiffs should not have to raise the issue and address it in every case.

The lower courts in *eBay* had applied presumptions that this Court rejected. The district court's presumption against injunctions in favor of non-practicing patent holders had little basis in law; the Federal Circuit's presumption in favor of enjoining patent infringement had ample basis but was stated too rigidly. This Court rejected both presumptions, and the lower courts have read the opinion to reject *all* presumptions.[35]

This interpretation has thrown out the baby with the bathwater. The "traditional principles of equity" have long recognized patterns in the cases, and these patterns have given rise to rebuttable presumptions. Justice Story's chapter on injunctions is full of fact patterns and classes of cases in which injunctions would normally be granted or withheld.[36] *These* are the "traditional principles of equity;" Justice Story did not just identify *eBay*'s four very general principles and say they must be applied case by case. One of these amici has surveyed the modern cases, identifying similar patterns and classes of cases in which injunctions will generally be granted[37] or withheld.[38] Repeated or continuing violations of law generally give rise to irreparable injury; the application of this principle to intellectual property

---

[35] See Gergen, Golden, & Smith, *supra* note 23, at 215-19 (collecting cases).

[36] See 2 Story, *supra* note 10, §§871-959 at 206-92.

[37] See Laycock, *supra* note 29, at 37-98.

[38] *Id.* at 99-236.

was well-settled in Justice Story's time.[39] Constitutional violations generally give rise to irreparable injury; a simple breach of contract often does not, so a plaintiff seeking specific performance has to explain and prove why damages are inadequate. And so on.

Rules of thumb such as these give guidance to the parties and simplify the work of courts. To abolish all this practical learning at one fell swoop is seriously harmful and surely not what the Court intended. See *eBay*, 547 U.S. at 394 ("We hold *only* that the decision whether to grant or deny injunctive relief rests within the equitable discretion of the district courts, and that such discretion must be exercised consistent with traditional principles of equity ...." (emphasis added)); *id.* at 395 (Roberts, C.J., concurring) ("[T]here is a difference between exercising equitable discretion ... and writing on an entirely clean slate.").

eBay's formulation of the standards for injunctive relief requires modification; at the very least, it requires substantial clarification. The Court should not compound the damage here by accepting Petitioner's invitation to suggest that all law not mentioned in *eBay*'s four-part test is henceforth irrelevant to injunction cases.

---

[39] 2 Story, *supra* note 10, §§928-33 at 260-64.

CONCLUSION

The judgment should be vacated and the case remanded for a much more particularized consideration of laches and estoppel consistent with this Court's opinion.

Respectfully submitted,

Douglas Laycock
Counsel of Record
University of Virginia Law School
580 Massie Road
Charlottesville, VA 22903
434-243-8546
dlaycock@virginia.edu

APPENDIX

APPENDIX

Identifying the Amici

Douglas Laycock is the Robert E. Scott Distinguished Professor of Law at the University of Virginia. In addition to his work on religious liberty, he is the author of a leading casebook on remedies,[1] a prize-winning book on injunctions,[2] and a short article on continuing violations and statutes of limitations.[3] The casebook devotes an entire chapter to equitable defenses and statutes of limitations.[4]

Mark P. Gergen is the Robert and Joann Burch D.P. Professor of Tax Law and Policy at the University of California Berkeley. He has taught remedies and equitable defenses in courses on contracts, property, and remedies. He is coauthor of a leading casebook on contracts,[5] author of a short article on equitable estoppel,[6] and coauthor of the leading article on this Court's decision in *eBay v. MercExchange*.[7]

Doug Rendleman is the Huntley Professor of Law at Washington and Lee University. He is the senior

---

[1] Laycock, *supra* note 19.

[2] Laycock, *supra* note 29.

[3] Douglas Laycock, *Continuing Violations, Disparate Impact in Compensation, and Other Title VII Issues*, 49 L. & Contemp. Probs. No. 4, at 53 (Autumn 1986).

[4] Laycock, *supra* note 19, at 925-92.

[5] Lon L. Fuller, Melvin Aron Eisenberg, & Mark P. Gergen, *Basic Contract Law* (9th ed., West 2013).

[6] Gergen, *supra* note 18.

[7] Gergen, Golden, & Smith, supra note 23.

coauthor of the other leading casebook on remedies,[8] and author of a casebook on injunctions[9] and of an early article on this Court's decision in *eBay v. MercExchange*.[10]

---

[8] Doug Rendleman & Caprice L. Roberts, *Remedies* (8th ed., West 2011).

[9] Doug Rendleman, *Complex Litigation: Injunctions, Structural Remedies, and Contempt* (Foundation 2010).

[10] Rendleman, *supra* note 25.

AMICUS CURIAE BRIEF

No. 12-1315

IN THE

Supreme Court of the United States

PAULA PETRELLA,

Petitioner,

v.

METRO-GOLDWYN-MAYER, INC., *et al.*,

Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

BRIEF FOR THE MOTION PICTURE ASSOCIATION OF AMERICA, INC., THE ASSOCIATION OF AMERICAN PUBLISHERS, INC., THE NATIONAL CABLE & TELECOMMUNICATIONS ASSOCIATION, AND THE SOFTWARE & INFORMATION INDUSTRY ASSOCIATION AS AMICI CURIAE IN SUPPORT OF RESPONDENTS

BROOK HOPKINS
WILMER CUTLER PICKERING
HALE AND DORR LLP
60 State Street
Boston, MA 02109
(617) 526-6000

SETH P WAXMAN
Counsel of Record
RANDOLPH D. MOSS
CATHERINE M.A. CARROLL
WILMER CUTLER PICKERING
HALE AND DORR LLP
1875 Pennsylvania Ave., NW
Washington, DC 20006
(202) 663-6000
seth.waxman@wilmerhale.com

WILSON-EPES PRINTING CO., INC. – (202) 789-0096 – WASHINGTON, D. C. 20002

TABLE OF CONTENTS

Page

TABLE OF AUTHORITIES iii

INTEREST OF AMICI CURIAE 1

SUMMARY OF ARGUMENT 3

ARGUMENT 5

I. LACHES SHOULD BE AVAILABLE IN COPYRIGHT ACT CASES WHERE A PLAINTIFF'S UNREASONABLE DELAY CAUSES SUBSTANTIAL PREJUDICE 5

A. Laches And The Statute Of Limitations Serve Distinct Purposes And Provide Independent Defenses 6

B. Copyright Cases Are Especially Susceptible To The Delay And Prejudice That Laches Was Intended To Ameliorate 10

C. Laches Should Be Available As A Defense To Copyright Claims For Equitable Relief And Money Damages 15

II. APPLYING LACHES IN COPYRIGHT CASES DOES NOT VIOLATE THE SEPARATION OF POWERS 22

A. Applying Laches Does Not Displace Any Congressional Judgment Underlying The Statute Of Limitations 23

TABLE OF CONTENTS—Continued

Page

B. The Copyright Act Reflects No Intent To Displace The Traditional Application Of Laches 24

III. APPLICATION OF LACHES IN EXTRAORDINARY CASES DOES NOT CAUSE THE NEGATIVE EFFECTS PETITIONER PREDICTS 28

CONCLUSION 31

TABLE OF AUTHORITIES

CASES

Page(s)

A.C. Aukerman Co. v. *R.L. Chaides Construction Co.*, 960 F.2d 1020 (Fed. Cir. 1992) 7, 26, 27, 28, 30

Astoria Federal Savings & Loan Ass'n v. *Solimino*, 501 U.S. 104 (1991) 25

Badger v. *Badger*, 69 U.S. (2 Wall.) 87 (1865) 19

Barrois v. *Nelda Faye, Inc.*, 597 F.2d 881 (5th Cir. 1979) 8

Brown v. *Buena Vista County*, 95 U.S. 157 (1877) 9

CA Inc. v. *Rocket Software, Inc.*, 579 F. Supp. 2d 355 (E.D.N.Y. 2008) 25

Calhoun v. *Lillenas Publishing*, 298 F.3d 1228 (11th Cir. 2002) 17

Clark v. *Chase*, 64 A. 493 (Me. 1906) 9

Coalition for Government Procurement v. *Federal Prison Industries, Inc.*, 365 F.3d 435 (6th Cir. 2004) 23

County of Oneida v. *Oneida Indian Nation*, 470 U.S. 226 (1985) 21, 22

Danjaq, LLC v. *Sony Corp.*, 263 F.3d 942 (9th Cir. 2001) 13, 14, 15, 17, 20, 30

eBay Inc. v. *MercExchange, L.L.C.*, 547 U.S. 388 (2006) 30, 31

TABLE OF AUTHORITIES—Continued

Page(s)

Environmental Defense Fund, Inc. v. *Alexander*, 614 F.2d 474 (5th Cir. 1980) 20

Galliher v. *Cadwell*, 145 U.S. 368 (1892) 7

Gilmore v. *Anderson*, 38 F. 846 (S.D.N.Y. 1889) 28

Guaranty Trust Co. v. *United States*, 304 U.S. 126 (1938) 6

Gutierrez v. *Waterman Steamship Corp.*, 373 U.S. 206 (1963) 7

Haas v. *Leo Feist, Inc.*, 234 F. 105 (S.D.N.Y. 1916) 15, 18

Hampton v. *Paramount Pictures Corp.*, 279 F.2d 100 (9th Cir. 1960) 25

Hinds v. *Titan Wheel International, Inc.*, 45 F. App'x 490 (6th Cir. 2002) 9

Holmberg v. *Armbrecht*, 327 U.S. 392 (1946) 24

In re Brin-Mont Chemicals, Inc., 154 B.R. 903 (M.D.N.C. 1993) 9, 28

Jorgensen v. *Epic/Sony Records*, 351 F.3d 46 (2d Cir. 2003) 16

K-Mart Corp. v. *Oriental Plaza, Inc.*, 875 F.2d 907 (1st Cir. 1989) 9

Marvel Characters, Inc. v. *Simon*, 310 F.3d 280 (2d Cir. 2002) 25

TABLE OF AUTHORITIES—Continued

Page(s)

Menendez v. *Holt*, 128 U.S. 514 (1888) 20

Miller v. *Glenn Miller Productions*, 454 F.3d 975 (9th Cir. 2006) 8

National Railroad Passenger Corp. v. *Morgan*, 536 U.S. 101 (2002) 10, 28

New Era Publications International, ApS v. *Henry Holt & Co.*, 873 F.2d 576 (2d Cir. 1989) 19, 28

Ory v. *Country Joe McDonald*, 2003 WL 22909286 (C.D. Cal. Aug. 5, 2003), *aff'd*, 141 F. App'x 581 (9th Cir. 2005) 18

Palladium Music, Inc. v. *EatSleep-Music, Inc.*, 398 F.3d 1193 (10th Cir. 2005) 22

Patterson v. *Hewitt*, 195 U.S. 309 (1904) 7, 30

Polites v. *United States*, 364 U.S. 426 (1960) 21

Prather v. *Neva Paperbacks, Inc.*, 446 F.2d 338 (5th Cir. 1971) 25

Ray Communications, Inc. v. *Clear Channel Communications, Inc.*, 673 F.3d 294 (4th Cir. 2012) 7

Richards v. *Mackall*, 124 U.S. 183 (1888) 9

TABLE OF AUTHORITIES—Continued

Page(s)

Riddlesbarger v. *Hartford Insurance Co.*, 74 U.S. (7 Wall.) 386 (1869) 6

Russell v. *Todd*, 309 U.S. 280 (1940) 24

Saxon v. *Blann*, 968 F.2d 676 (8th Cir. 1992) 25

Shaw v. *Lindheim*, 919 F.2d 1353 (9th Cir. 1990) 17

Shell v. *Strong*, 151 F.2d 909 (10th Cir. 1945) 24

Southern Pacific Co. v. *Bogert*, 250 U.S. 483 (1919) 7

Speidel v. *Henrici*, 120 U.S. 377 (1887) 19

Supermarket of Homes, Inc. v. *San Fernando Valley Board of Realtors*, 786 F.2d 1400 (9th Cir. 1986) 25

Teamsters & Employers Welfare Trust of Illinois v. *Gorman Brothers Ready Mix*, 283 F.3d 877 (7th Cir. 2002) 26

Tempo Music, Inc. v. *Myers*, 407 F.2d 503 (4th Cir. 1969) 25

Towler v. *Sayles*, 76 F.3d 579 (4th Cir. 1996) 16

United States v. *Mack*, 295 U.S. 480 (1935) 21

United States v. *Oregon Lumber Co.*, 260 U.S. 290 (1922) 6

TABLE OF AUTHORITIES—Continued

Page(s)

West Publishing Co. v. *Edward Thompson Co.*, 176 F. 833 (2d Cir. 1910) 25

Westco-Chippewa Pump Co. v. *Delaware Electric & Supply Co.*, 64 F.2d 185 (3d Cir. 1933) 8

Wood v. *Carpenter*, 101 U.S. 135 (1879) 6

Wuliger v. *Cannella Response Television, Inc.*, 865 F. Supp. 2d 836 (N.D. Ohio 2011) 24

STATUTES, RULES, AND LEGISLATIVE MATERIALS

17 U.S.C.
§ 103 22
§ 111 29
§ 115 29
§ 507(b) 30

35 U.S.C.
§ 282(b)(1) 26
§ 286 26

42 U.S.C. § 2000e-5(e)(1) 10

Fed. R. Civ. P.
R. 2 21
R. 8(c)(1) 21, 26

TABLE OF AUTHORITIES—Continued

Page(s)

Copyrights—Statute of Limitations: Hearing on H.R. 781 Before Subcomm. No. 3 of the House Committee On the Judiciary, 84th Cong. (1955) 27, 28

S. Rep. No. 85-1014 (1957) 27

OTHER AUTHORITIES

Dobbs Law of Remedies (2d ed. 1993) 20

Nimmer on Copyright (2012) 10, 30

Pomeroy, John Norton, *A Treatise on Equity Jurisprudence* (5th ed. 1941) 6, 8, 9

Wright, Charles Alan, & Kenneth W. Graham, Jr., *Federal Practice and Procedure* (2d ed. 2005) 18

INTEREST OF AMICI CURIAE[1]

The Motion Picture Association of America, Inc. ("MPAA") is a not-for-profit trade association founded in 1922 to address issues of concern to the U.S. motion picture industry. Its members include Paramount Pictures Corporation, Sony Pictures Entertainment Inc., Twentieth Century Fox Film Corporation, Universal City Studios LLC, Walt Disney Studios Motion Pictures, and Warner Bros. Entertainment Inc. MPAA's members and their affiliates are the leading producers and distributors of filmed entertainment in the theatrical, television, and home entertainment markets.

The Association of American Publishers, Inc. ("AAP") is the national trade association of the U.S. book and journal publishing industry. Its membership of some 300 companies and organizations includes most of the major commercial book and journal publishers in the United States, as well as numerous smaller and non-profit publishers, university presses, and scholarly societies. AAP members publish literary works in hardcover and paperback formats in every field of human interest, including trade books of fiction and nonfiction; textbooks and other instructional materials for the elementary, secondary, and postsecondary educational markets; reference works; and scientific, technical, medical, professional, and scholarly books and

---

[1] Letters consenting to the filing of amicus briefs have been filed by the parties with the Clerk of Court. No counsel for a party authored this brief in whole or in part, and no person, other than amici, their members, or their counsel, made a monetary contribution to the preparation or submission of this brief. Some amici's members include corporate affiliates of respondent Twentieth Century Fox Home Entertainment LLC, but none of those affiliated entities made any monetary contribution toward the preparation or submission of this brief.

journals. In addition to publishing in print formats, AAP members are active in the e-book and audio-book markets, and also produce computer programs, databases, websites, and a variety of multimedia works for use in online and other digital formats. AAP advocates for the public policy interests of its members, including the protection of intellectual property rights in all media, the defense of both the freedom to read and the freedom to publish at home and abroad, the advancement of education, and the promotion of literacy and reading.

The National Cable & Telecommunications Association ("NCTA") is the principal trade association of the cable industry in the United States. Its members include owners and operators of cable television systems serving over 90 percent of the nation's cable television customers, as well as more than 200 cable program networks. NCTA also represents equipment suppliers and others interested in or affiliated with the cable television industry.

The Software & Information Industry Association ("SIIA") is the principal U.S. trade association committed to promoting and protecting the interests of the software and information industries. SIIA represents over 700 member companies, including prominent publishers of software and information products for reference, education, business, consumer, internet, and entertainment uses. SIIA has been an industry leader in addressing intellectual property issues in the software and information industries for many years.

As owners of numerous copyrights, amici's members and their affiliates share petitioner's strong interest in robust copyright protection, which is essential to the health of creative industries and the U.S. economy

as a whole. At the same time, amici's members recognize the importance of a viable laches defense in the extraordinary cases where a plaintiff's unreasonable delay causes the defendant substantial prejudice. Creative industries are particularly vulnerable to the prejudice that results from long-delayed suits. Once created, movies and books often remain in distribution long after their initial release. And advances in technology frequently require the commitment of additional resources to create and distribute reformatted versions of existing works. Because each new act of distribution may be challenged as an independent act of infringement subject to the Copyright Act's three-year statute of limitations, this extended life cycle gives putative copyright owners endless contemporary opportunities to bring suit over what is often an archaic legal dispute.

Such suits present factual issues that can be difficult to litigate if important evidence has been lost or witnesses have become unavailable. These suits also pose significant financial threat to the creators and distributors that have made continuing investments in the development, preservation, restoration, and distribution of films, books, and other works over a long period of years in reliance on licenses and the long-term failure of any party to seek to enforce any copyright claim. Amici accordingly submit this brief in support of the court of appeals' judgment.

SUMMARY OF ARGUMENT

Petitioner argues that laches should be categorically unavailable in all cases that are subject to a statute of limitations—regardless of the relief sought, the unreasonableness of the plaintiff's delay, or the prejudice suffered by the defendant. This expansive position ignores the history of laches and its distinct role. Unlike

the statute of limitations, which is categorical and takes account only of the lapse of time, laches is a discretionary doctrine that considers the equities of the individual case. It asks not only whether there has been delay, but also whether that delay was unreasonable and whether it caused prejudice. Because of these divergent functions, courts have traditionally applied laches even to claims brought within the statute of limitations in the extraordinary circumstances in which the laches standard is met. Petitioner offers no convincing reason why this Court should end this practice.

Like other equitable doctrines, laches has long been available in copyright cases, and the doctrine is particularly appropriate in this context. Given the continuing investments that are required to support the long-term distribution of works such as motion pictures and books, copyright infringement claims in those fields that are brought years or decades after the dispositive events can impose significant evidentiary and economic prejudice on studios, publishers, and distributors. When a plaintiff engages in unreasonable delay that produces such prejudice, laches should be available as a potential defense to claims for equitable relief and money damages in the extraordinary cases where the laches standard is met.

Petitioner's contention that applying laches in copyright cases would violate the constitutional separation of powers rests in part on the mistaken premise that judicial application of laches improperly displaces the legislative judgment embodied in the statute of limitations. But the doctrine of laches serves a distinct purpose and reflects a different set of judgments than the statute of limitations. Moreover, Congress legislates against the backdrop of traditional equitable doctrines, including laches. Petitioner does not dispute that other

equitable doctrines such as tolling and estoppel may apply in copyright cases. There is no reason why laches should not also be available. To the contrary, nothing in the Copyright Act signals any congressional intent to dismantle courts' traditional discretion to prevent a plaintiff's unreasonable delay from causing significant prejudice.

Certain unique features of the copyright context allow Copyright Act plaintiffs to bring infringement actions long after the occurrence of the events giving rise to the alleged infringement—as occurred in this case. Although the factors that must be present to meet the laches standard might be found only rarely when suit is brought within the statute of limitations, the doctrine of laches should be available for those extraordinary cases, like this one, in which a plaintiff's unfair delay places a substantial burden on the defendant. The continued use of laches in such cases serves the policies of the Copyright Act without generating the ill effects petitioner predicts.

ARGUMENT

I. Laches Should Be Available In Copyright Act Cases Where A Plaintiff's Unreasonable Delay Causes Substantial Prejudice

Petitioner starts from the proposition that laches is essentially redundant of the statute of limitations. On that view, a court's application of laches in a case governed by a statute of limitations serves no purpose other than to displace the legislative judgment embodied in the statute. In fact, however, the doctrine of laches serves its own distinct purposes, and courts have accordingly recognized that laches may apply even to suits brought within the statutory limitations period. As experiences with stale copyright litigation in crea-

tive fields such as the motion picture and publishing industries illustrate, laches plays an important and useful role in those extraordinary cases where the laches standard is met. The defense should remain available to serve those important purposes in copyright cases.

A. Laches And The Statute Of Limitations Serve Distinct Purposes And Provide Independent Defenses

1. Enacted by legislatures and traditionally applied to actions at law, statutes of limitations are "founded upon the general experience of mankind that claims, which are valid, are not usually allowed to remain neglected." *Riddlesbarger* v. *Hartford Ins. Co.*, 74 U.S. (7 Wall.) 386, 390 (1869). They reflect a categorical social judgment that at a certain point, the interests in repose and relief from stale litigation come to outweigh the plaintiff's interest in a remedy. Statutes of limitations are thus designed to encourage diligence by plaintiffs, to prevent stale litigation where evidence has been lost and memories have faded, and to provide peace of mind to potential defendants after the specified time has passed. *See United States* v. *Oregon Lumber Co.*, 260 U.S. 290, 300 (1922); *Guaranty Trust Co.* v. *United States*, 304 U.S. 126, 136 (1938). "Mere delay, extending to the limit prescribed," is therefore "a conclusive bar." *Wood* v. *Carpenter*, 101 U.S. 135, 139 (1879).

The doctrine of laches is different. Reflecting the maxim that "[h]e who seeks equity must do equity," 2 Pomeroy, *A Treatise on Equity Jurisprudence* § 418 (5th ed. 1941), laches seeks not only to relieve defendants and courts from stale litigation and to encourage vigilant prosecution of claims, but also to prevent a particular plaintiff's unreasonable conduct from prejudic-

ing a defendant in a particular case. "[L]aches is not, like a limitation, a mere matter of time; but principally a question of the inequity of permitting the claim to be enforced—an inequity founded upon some change in the condition or relations of the property or the parties." *Galliher* v. *Cadwell*, 145 U.S. 368, 373 (1892).

Accordingly, application of laches, unlike the statute of limitations, requires more than mere delay. The delay must be unreasonable under the circumstances, evincing, for example, "acquiescence in the alleged wrong or lack of diligence in seeking a remedy." *Southern Pac. Co.* v. *Bogert*, 250 U.S. 483, 488-489 (1919). Thus, while "lapse of time is one of the chief ingredients" in a laches defense, "there are others of almost equal importance." *Patterson* v. *Hewitt*, 195 U.S. 309, 317 (1904). As this Court has recognized, "[c]hange in the value of the property between the time the cause of action arose and the time the bill was filed, complainant's knowledge or ignorance of the facts constituting the cause of action, as well as his diligence in availing himself of the means of knowledge within his control, are all material to be considered upon the question whether the suit was brought without unreasonable delay." *Id.* at 317-318.

Moreover, unlike under a statute of limitations, the plaintiff's unreasonable delay must cause significant prejudice to the defendant. *Gutierrez* v. *Waterman S.S. Corp.*, 373 U.S. 206, 215 (1963). Courts generally recognize two categories of prejudice: evidentiary prejudice and economic (or "expectations") prejudice. *See A.C. Aukerman Co.* v. *R.L. Chaides Constr. Co.*, 960 F.2d 1020, 1033 (Fed. Cir. 1992). "Evidentiary prejudice encompasses such things as lost, stale or degraded evidence or witnesses whose memories have faded or who have died." *Ray Commc'ns, Inc.* v. *Clear*

Channel Commc'ns, Inc., 673 F.3d 294, 305 (4th Cir. 2012); *see also, e.g.*, *Barrois* v. *Nelda Faye, Inc.*, 597 F.2d 881, 885 (5th Cir. 1979) (finding prejudice when defendant "established that it has no available witnesses who have any recollection of the alleged incident").

Economic or expectations prejudice occurs when the defendant invests resources during the delay in reliance on his or her presumed rights. As one court has explained, "it does not seem equitable for a person with full knowledge to sleep on his rights" for a period of years "and then, when [the defendant] has made large investments and built up a good business, punish him and innocent investors for doing what might have been prevented by timely action on the part of the [plaintiff]." *Westco-Chippewa Pump Co.* v. *Delaware Elec. & Supply Co.*, 64 F.2d 185, 186 (3d Cir. 1933); *see also, e.g.*, *Miller* v. *Glenn Miller Prods., Inc.*, 454 F.3d 975, 999-1000 (9th Cir. 2006) (applying laches where defendant had invested in the development of its business in reliance on the legitimacy of the licenses forming the basis of the claim).

Thus, while laches and statutes of limitations are certainly related, they are not a substitute for one another. Each serves its own purpose and requires its own showing.

2. Consistent with these distinct purposes and standards, courts have traditionally applied laches even to claims brought within the statutory limitations period when the independent laches standard was met. Equity courts evaluating laches often referred to analogous statutory periods, *see* 2 *Pomeroy* § 419a, and, ordinarily, laches would not bar a case brought within the analogous statute of limitations. But "if unusual conditions or extraordinary circumstances ma[d]e it inequi-

table to allow the prosecution of a suit" within the statutory period, "the court [would] determine the extraordinary case in accordance with the equities which condition it." *Id.* Thus, as this Court has recognized, "equity would sometimes refuse relief where a shorter time than that prescribed by the statute had elapsed without suit." *Richards* v. *Mackall*, 124 U.S. 183, 188 (1888); *see also Brown* v. *Buena Vista County*, 95 U.S. 157, 160 (1877) (acknowledging that the statute of limitations may apply, "[b]ut a court of equity applies the rule of laches according to its own ideas of right and justice. Every case is governed chiefly by its own circumstances.").

Since the merger of law and equity, courts have continued to entertain the laches defense even when a statute of limitations applies. In the vast majority of cases, claims brought within the limitations period are not barred by laches. But, consistent with the doctrine's equitable roots, laches will occasionally bar a claim brought within the limitations period when the defendant demonstrates unreasonable and prejudicial delay. *See, e.g.*, *Hinds* v. *Titan Wheel Int'l, Inc.*, 45 F. App'x 490, 495 (6th Cir. 2002) ("[w]hen a claim is not barred by the statute of limitations, laches is disfavored," but will "be available if the court finds special conduct or circumstances justifying the remedy"); *K-Mart Corp.* v. *Oriental Plaza, Inc.*, 875 F.2d 907, 911 (1st Cir. 1989) ("When a plaintiff brings suit within the limitation period, a defendant claiming laches has the burden of proving both unreasonableness of the delay and the occurrence of prejudice." (footnote omitted)); *In re Brin-Mont Chems., Inc.*, 154 B.R. 903, 907 (M.D.N.C. 1993) ("[T]he doctrine of laches can, under exceptional circumstances, cut short an express statute of limitations."); *Clark* v. *Chase*, 64 A. 493, 494-495 (Me.

1906) (holding that the court could exercise equitable power to enjoin an action at law for laches even though the action was commenced within the statute of limitations).

This Court thus recognized in *National Railroad Passenger Corp.* v. *Morgan* that, in actions brought under Title VII, laches was an available defense notwithstanding the time limits set forth in 42 U.S.C. § 2000e-5(e)(1). *See* 536 U.S. 101, 121-122 (2002). In that case, the Court held that plaintiffs may bring hostile work environment claims under Title VII so long as at least one act constituting the hostile work environment occurred within the statutory charging period. *Id.* at 122. In reaching that conclusion, the Court reasoned that the rule would not prejudice employers because they "may raise a laches defense" in cases of unreasonable delay. *Id.* at 121. Thus, contrary to petitioner's contention, no categorical rule bars the application of laches in the face of a statute of limitations in all cases.

B. Copyright Cases Are Especially Susceptible To The Delay And Prejudice That Laches Was Intended To Ameliorate

Several features of copyright law make it more likely than in other contexts that litigation might not commence until long after the events giving rise to the alleged infringement. For example, under the well-settled "separate accrual rule" that courts have applied to the Copyright Act's statute of limitations, a plaintiff can sue to challenge acts of infringement occurring within the preceding three years even if the challenged acts simply continue a pattern of acts of "prior infringement by the same party as to the same work" as to which suit is "barred because they occurred more than three years previously." 3 *Nimmer on Copyright*

§ 12.05[B][1][b] (2012). It is thus sometimes unavoidable that, in some cases, infringement claims will require resolution of factual questions—*e.g.*, was the allegedly infringing work independently created? which copyrighted material was the allegedly infringing work derived from? did the creator of the allegedly infringing work have access to the copyrighted material?—that turn on events long predating the commencement of litigation. Application of the separate accrual rule and other features of copyright law means that timely litigation of alleged infringements within the statutory period will sometimes depend on decades-old facts about decades-old allegedly infringing acts. When that lapse of time simply results from the ordinary operation of the copyright law, rather than from the plaintiff's unreasonable conduct, laches will pose no obstacle to a diligent copyright owner's efforts to enforce his or her rights.[2]

As is evident from this case, however, a dilatory plaintiff can sometimes delay unreasonably in commencing litigation, causing substantial prejudice to the defendant. It is in these extraordinary situations that laches has a role to play. For example, creators and distributors of derivative works such as movies or

---

[2] Thus, a holding that laches may be available in copyright cases would not mean that "*Stewart* claims will rarely if ever succeed," as petitioner claims (at 53). As discussed, laches cannot bar a suit based on passage of time alone. It requires delay that is unreasonable under the circumstances and prejudicial to the defendant. If petitioner "had sued in 1991," upon renewal of her late father's copyright (*id.*), laches could not have foreclosed her claim because the passage of time and loss of witnesses that occurred between the writing of the 1963 screenplay and the hypothetical 1991 lawsuit could not have been attributed to any unreasonable delay by petitioner.

books often reasonably rely on assignments of rights to continue publishing and distributing the works. If a putative copyright owner believes the work infringes his or her rights but then delays suit for a long period after the claim has ripened—perhaps waiting while evidence grows cold to see how great a profit results from the assignee's continuing investments—the creator or distributor of the derivative work may be significantly prejudiced despite his or her own good faith. If laches remains unavailable even in those circumstances, courts would lack any means of redressing that unfair prejudice.

Experience in amici's industries illustrates the point. Motion pictures and books, for example, frequently derive from licensed source materials, such as novels, plays, or nonfiction works, or incorporate other copyrighted works pursuant to licenses, such as photographs, figures, clips, and music. As such, numerous licenses, sublicenses, and assignments of rights might be executed before a studio or publisher can produce and distribute a new movie or book. Once made, movies and books must often be released at different times in different markets and remain in circulation long after their initial release. For example, studios invest significant financial and creative resources in preserving, remastering, and converting movies to new formats to keep up with advances in technology and in distributing movies through evolving channels such as cable television and third party vendors like Netflix, iTunes, and Amazon—all in reliance on the original licenses and assignments and on the passage of years or decades without copyright suit. Entities down the stream of distribution, in turn, such as the cable channels that broadcast movies for television, also rely on the validity of licenses and assignments and may be drawn into and

prejudiced by stale litigation over old disputes. Similarly, publishers must often produce a particular book in multiple editions and in different formats, as updates to content become necessary or as consumers' preferences for e-book technologies change. Like movie studios, publishers rely on original copyright ownership, licenses, and assignments when investing in the distribution of derivative works. When plaintiffs unreasonably sit on their rights and sue only after putative defendants have devoted significant resources to making the copyrighted material profitable, laches serves important interests of fairness and finality, without which the validity of a work's further distribution would remain permanently in doubt.

The case of *Danjaq, LLC* v. *Sony Corp.*, 263 F.3d 942 (9th Cir. 2001), demonstrates the type of extraordinary situation that occasionally arises and warrants the application of laches. *Danjaq* involved a dispute over the James Bond movies. Kevin McClory, a plaintiff in that case, claimed that in the 1950s he collaborated with author Ian Fleming and another screenwriter on the screenplay *Thunderball*. He claimed that this screenplay created the first "cinematic James Bond" character (as opposed to the "literary James Bond" depicted in Fleming's books), as well as certain themes that later appeared in multiple Bond movies. *Id.* at 947-948. McClory secured certain rights to *Thunderball* in a settlement following a copyright infringement suit against Fleming in England in the 1960s.

Meanwhile, Fleming transferred the film and television rights to his books to defendant Danjaq, which proceeded to produce and release many Bond films. Decades later, after "Danjaq had produced movie after movie, and James Bond had become a cinematic icon and a huge box office success," McClory asserted in lit-

igation that "[b]ecause ... he possessed the rights to both the novel *Thunderball* and the materials developed during the writing of the initial *Thunderball* script, he also possessed the rights to certain plot elements that first appeared in those works." 263 F.3d at 949. Based on that theory, McClory asserted in the late 1990s a copyright infringement claim for damages and profits arising from every Bond film Danjaq had released to that point, including later-released versions of each film on DVD and other media, and sought a prospective injunction against future infringement. *Id.* at 949-950, 959-960.

As the district court in *Danjaq* found, McClory had waited "at least twenty-one years—and more likely, thirty-six years" after learning of the potential claim before initiating litigation. But because the contested Bond films had been re-released on DVD within the three years preceding the suit, the infringement claims were not barred by the statute of limitations. 263 F.3d at 953. The district court nonetheless held, and the court of appeals agreed, that the claim was barred by laches. Because the allegedly infringing aspects of the re-released DVDs were identical to those of the original films, there was no reason McClory could not have brought suit when the original films were released. *Id.* McClory's extreme delay was therefore unjustified and unreasonable. That delay in turn prejudiced Danjaq. "[M]any of the relevant records [were] missing," and many of the witnesses who knew the Bond history had died, including Fleming. *Id.* at 955. Without that evidence, Danjaq would have been hindered in demonstrating its films' "independent creation"—which would have been a complete defense. *Id.* at 956. The court also found economic prejudice in light of Danjaq's billion-dollar investment in the James Bond movies. *Id.*

The *Danjaq* case illustrates the important and distinct purposes that laches may serve in copyright infringement cases even when suit is technically brought within the statute of limitations. Under petitioner's rule, McClory could have continued to wait for decades more before initiating litigation. And so long as the defendant had made or distributed at least one James Bond movie in the three years preceding the suit, the defendant could do nothing to protest the plaintiff's delay, even if no evidence remained available concerning the work's creation. In such extraordinary cases of unreasonable delay, however, as Judge Learned Hand observed, "it is inequitable for the owner of a copyright, with full notice of an intended infringement, to stand inactive while the proposed infringer spends large sums of money in its exploitation, and to intervene only when his speculation has proved a success." *Haas* v. *Leo Feist, Inc.*, 234 F. 105, 108 (S.D.N.Y. 1916).

C. Laches Should Be Available As A Defense To Copyright Claims For Equitable Relief And Money Damages

1. As the foregoing shows, in the extraordinary cases where the laches standard is met, the doctrine's application fulfills a need that can be acute in the copyright context and that is not met by mechanical application of the statute of limitations. Petitioner and her amici dispute whether evidentiary or economic prejudice is likely to arise in many cases. But the fact that laches may not be necessary in many cases does not mean it should be unavailable in those cases where significant prejudice is shown. In any event, the contention lacks merit.

With respect to evidentiary prejudice, petitioner contends (at 16-17) that copyright litigation "depends

primarily on the copyright registration certificate and the factfinder's own comparison of the original and allegedly infringing works," making historical fact witnesses and contemporaneous evidence "relatively unimportant." *See also* Pet. Br. 54-56. That is incorrect. Copyright litigation regularly requires resolution of factual issues concerning the copyrighted work's creation. Petitioner's own brief, for example, quarrels with respondents' contention in the courts below that the late Mr. Petrella's book was written before (and therefore did not derive from) the 1963 screenplay. *See id.* at 10-11 (debating what the evidence showed concerning the source and creation of the book and screenplay).

Other factual issues can frequently arise. In addition to establishing his or her ownership of a valid copyright, a copyright plaintiff must prove unauthorized copying of the copyrighted work. *See, e.g.*, *Jorgensen* v. *Epic/Sony Records*, 351 F.3d 46, 51 (2d Cir. 2003). To prove unauthorized copying, a plaintiff might rely on indirect evidence that the creator of the allegedly infringing work had access to the copyrighted work and that there are similarities between the works indicative of copying. *Id.* The question of the alleged copier's access to the copyrighted work is a fact-specific inquiry for which evidence is required. *See id.* at 51-56. In *Towler* v. *Sayles*, for example, the plaintiff relied on deposition testimony to show that the defendant had access to her copyrighted screenplay. 76 F.3d 579, 582 (4th Cir. 1996). To rebut that testimony and show that he never saw her screenplay, the defendant offered his own deposition testimony as well as circumstantial evidence including book receipts and other documents showing his own research on the allegedly infringing screenplay. *Id.* Such testimony and evidence may be

impossible to assemble if many years or decades pass before litigation commences.

Similarly, evidence that an alleged infringer independently created a disputed work is a defense to copyright infringement. When a plaintiff establishes a presumption of copying by "showing that the infringer had access to the work and that the two works are substantially similar," *Shaw* v. *Lindheim*, 919 F.2d 1353, 1356 (9th Cir. 1990), the defendant may rebut the presumption with evidence that the allegedly infringing work was independently created. *See, e.g., Calhoun* v. *Lillenas Publ'g*, 298 F.3d 1228, 1232 (11th Cir. 2002). As the *Danjaq* case illustrates, proving independent creation decades after the fact when authors or artists have died and records have disappeared may be extremely difficult if not impossible. When litigation of a copyright claim requires resolution of such factual questions, the mere fact that other claims might not present factual disputes should not preclude the application of laches if the plaintiff's unreasonable delay causes substantial prejudice.[3]

---

[3] Petitioner (at 54-56) and amicus California Society of Entertainment Lawyers (at 10-11) contend that copyright infringement plaintiffs are more likely to be prejudiced by significant delay than defendants due to the allocation of the burden of proof. A plaintiff who knows she is contemplating litigation, however, is fully on notice of the need to gather and preserve evidence; the defendant has no such notice and must simply guess whether and what potential evidence to preserve. In any event, the fact that there might be cases where delay hurts only the plaintiff and poses no significant prejudice to the defendant simply means that laches will not always bar a claim. It does not mean laches should be unavailable in those cases where the plaintiff's unreasonable delay resulted in missing witnesses or evidence that were needed to prove a defense such as independent creation. *See, e.g., Danjaq*, 263 F.3d at 956 (noting necessity of documents and witness to

With respect to economic prejudice, the court of appeals properly found that respondents had made continuing investments over a long period of years in reliance on the original license granted by the late Mr. Petrella and on Ms. Petrella's long-term failure to initiate litigation. Pet. App. 12a-18a. Were laches categorically unavailable, as petitioner urges, a plaintiff could "lie in wait" while such economic prejudice multiplied, bringing suit after an unreasonable delay only to hold up release of a movie once it begins to earn a sufficient return. "Delay under such circumstances allows the owner to speculate without risk with the other's money; he cannot possibly lose, and he may win." *Haas*, 234 F. at 108 (Hand, J.).

Petitioner asserts that respondents assumed the risk of such prejudice by continuing to invest in further distributions of *Raging Bull* even after she renewed her father's copyright in 1991 and they learned of her asserted copyright claims. But that argument only underscores the potential chilling effect of petitioner's position: Under her view, respondents should have discontinued any further releases or distributions of a film that is, by petitioner's account (and many others') one of the "best film[s] of all time" because of the possibility that petitioner might, someday, have finally brought suit. And when years or even decades passed without

---

prove the "independent creation" defense); *Ory* v. *Country Joe McDonald*, 2003 WL 22909286, at *7-8 (C.D. Cal. Aug. 5, 2003), *aff'd*, 141 F. App'x 581 (9th Cir. 2005) (same). Moreover, petitioner's argument proves too much. Generally speaking, the burden of proof ordinarily falls on the plaintiff. *See* 21B Wright & Graham, *Federal Practice and Procedure* § 5122 (2d ed. 2005). Yet as the long history of laches demonstrates, the allocation of the burden of proof does not always protect defendants from evidentiary prejudice.

any such suit, respondents still should have made no such further investment, according to petitioner, unless they were willing to risk losing that investment if and when the day came between now and the year 2051 (when petitioner claims her putative rights expire (Pet. Br. 45)), that she ever asserted her rights. Such a rule would hardly serve the Copyright Act's purpose to promote public access to creative works and the creation of new derivative works.

2. Given these prospects of significant prejudice, it is consistent with traditional equitable principles to apply laches to prevent a plaintiff from exploiting his or her rights late in the day to hold future distributions hostage until the plaintiff's claims are satisfied. Thus, at a minimum, laches may bar copyright suits where a plaintiff seeks equitable relief. The United States agrees that laches may appropriately limit relief in copyright actions seeking equitable relief, even when suit is brought within the limitations period (*see* U.S. Br. 26-27), and courts have permitted laches to bar injunctive relief even while holding laches inapplicable to a damages claim, *see, e.g.*, *New Era Publ'ns Int'l, ApS* v. *Henry Holt & Co.*, 873 F.2d 576, 584-585 (2d Cir. 1989). As respondents explain (at 35-38), the government's proposal that laches should be only a factor relevant to relief rather than a bar to suit are not justified.[4]

---

[4] In equity, contrary to the United States' contention, laches barred suit, not merely the remedy. *See Speidel* v. *Henrici*, 120 U.S. 377, 387 (1887) ("'Laches and neglect are always discountenanced, and therefore, from the beginning of this jurisdiction, there was always a limitation to suits in this court.'"); *Badger* v. *Badger*, 69 U.S. (2 Wall.) 87, 95 (1865) ("The court below very properly dismissed this bill, and refused to ... grope after the truth

Petitioner cites *Menendez* v. *Holt*, 128 U.S. 514, 523 (1888), for the proposition that "[m]ere delay or acquiescence cannot defeat the remedy by injunction in support of the legal right." Pet. Br. 38-39; *see also id.* at 15. As discussed, however, laches will not apply based on "[m]ere delay" alone. As the sentence petitioner quotes from *Menendez* continues, delay will not defeat an injunction "*unless* [the delay] has been continued so long, and under such circumstances, as to defeat the right itself." 128 U.S. at 523 (emphasis added); *see also Danjaq*, 263 F.3d at 959 (holding that the principle that laches does not bar a prospective injunction against future infringement, "although generally sound, does not apply where, as here, the feared future infringements are subject to the same prejudice that bars retrospective relief"). The *Menendez* Court, however, found "nothing which render[ed] it inequitable" in that case "to arrest at this stage any further invasion of complainants' rights." 128 U.S. at 524. *Menendez* thus does not alter the traditional applicability of laches to claims seeking injunctive relief. *See* 1 *Dobbs Law of Remedies* § 2.4(4) (2d ed. 1993) ("A plaintiff guilty of laches may be barred from recovery of any kind of equitable remedy, including injunctions[.]").

Although the doctrine developed in the courts of equity, laches "was eventually adopted by common law courts and, following the merger of law and equity, became part of the general body of rules governing relief in the federal court system." *Environmental Def. Fund, Inc.* v. *Alexander*, 614 F.2d 474, 478 (5th Cir. 1980). As respondents explain (at 13, 39), the post-merger Federal Rules of Civil Procedure recognize

---

of facts involved in the mists and obscurity consequent on such a lapse of time.").

"one form of action—the civil action," Fed. R. Civ. P. 2, and they identify laches as an affirmative defense to a civil action, Fed. R. Civ. P. 8(c)(1). The laches defense should therefore apply as well to claims for damages.

Indeed, the purposes of laches apply with equal force to claims for money damages. Unreasonably delayed litigation imposes significant burdens no matter the remedy sought. And defendants suffer no less prejudice from lost evidence or deceased witnesses in suits for damages than in suits seeking injunctive relief. Moreover, other equitable defenses may apply to claims traditionally thought to be legal rather than equitable. For example, petitioner acknowledges (at 60-61) that equitable estoppel may apply to both equitable and legal remedies. There is no principled reason to treat laches differently from these doctrines. *See also infra* pp. 24-27.

Petitioner cites (at 28) this Court's statement in *United States* v. *Mack*, 295 U.S. 480, 489 (1935), that "[l]aches within the term of the statute of limitations is no defense at law." Laches was invoked in that case, however, against the United States as a sovereign, which is not permitted. *See* U.S. Br. 23 n.3. Moreover, *Mack* was decided before the merger of law and equity and the adoption of the Federal Rules of Civil Procedure and thus simply reiterated the formal boundary that existed at that time between actions at law (governed by statutes of limitations) and suits in equity (governed by laches). *See Polites* v. *United States*, 364 U.S. 426, 438 (1960). Petitioner also cites the Court's observation in *County of Oneida* v. *Oneida Indian Nation*, 470 U.S. 226, 244 n.16 (1985), that "application of the equitable defense of laches in an action at law would be novel." This dicta does not support petitioner's position, however, as the Court expressly declined to reach

the issue. *Id.* at 245. Moreover, *Oneida* involved a suit to enforce an Indian tribe's right to tribal lands, "extinguishment of [which] requires a sovereign act" and "would [have] appear[ed] to be inconsistent with established federal policy" that such claims should proceed without time limit. *Id.* at 244 n.16; *see id.* at 240-245. No such policy appears in the Copyright Act. *See infra* Part II. Laches should therefore be available in copyright suits for legal or equitable relief to bar those extraordinary cases where a plaintiff's unreasonable delay causes the defendant substantial prejudice.

II. Applying Laches In Copyright Cases Does Not Violate The Separation Of Powers

By enacting a statute of limitations, Congress evinced a policy judgment that, as a general matter, a copyright plaintiff's interest in seeking a remedy for alleged infringement will eventually be outweighed by the defendant's and society's interests in finality and repose. Like other features of the Copyright Act, the statute of limitations thus tempers the rights of copyright owners in order to promote public access to copyrighted works and to encourage the creation of new derivative works. *See, e.g., Palladium Music, Inc.* v. *EatSleepMusic, Inc.*, 398 F.3d 1193, 1199 (10th Cir. 2005) ("The copyright laws ... attempt to strike a balance between rewarding the creative labor of authors of original works, and promoting further creativity by allowing public access to their works."); 17 U.S.C. § 103 (granting copyright protection to creators of new material in derivative works).

Petitioner contends that application of laches to copyright claims would undermine the separation of powers by substituting judicial judgments about the reasonableness of delay for Congress's adoption of the

three-year limitations period. But there is no inconsistency between the laches doctrine and Congress's intent in enacting the statute of limitations. Because the purpose of laches and the standard for applying it differ from the function of the statute of limitations, applying laches does not merely substitute one rule of timeliness for another. Moreover, Congress enacted the limitations period against the backdrop of traditional equitable doctrines including laches, and it showed no intent to displace any of those doctrines.

A. Applying Laches Does Not Displace Any Congressional Judgment Underlying The Statute Of Limitations

As discussed, while a statutory limitations period is intended to provide an opportunity for repose, the doctrine of laches serves to prevent a plaintiff from unfairly prejudicing a defendant by engaging in unreasonable delay. *See supra* pp. 6-8. Because of these distinct purposes, the judicial application of the equitable factors in a laches defense does not displace any legislative judgment embodied in the statute of limitations. Nor does application of laches in a case like this one—where the plaintiff waited 18 years to file suit over events that occurred decades earlier—displace Congress's judgment that it is not unreasonable to wait three years before suing.

To be sure, when courts evaluate the reasonableness of a plaintiff's delay, they rightly give weight to the length of the limitations period. Indeed, it is rare that a court will find a delay shorter than the limitations period allows to be unreasonable. *See, e.g.*, *Coalition for Gov't Procurement* v. *Federal Prison Indus., Inc.*, 365 F.3d 435, 466 (6th Cir. 2004) (citing "strong presumption" that delay is reasonable when the "analo-

gous statute of limitations has not lapsed"); *Wuliger* v. *Cannella Response Television, Inc.*, 865 F. Supp. 2d 836, 848 (N.D. Ohio 2011) ("[A] defendant asserting laches in a suit filed before the expiration of the statute of limitations must make a strong showing of prejudice due to the delay."). "When a suit is brought within the time fixed by the analogous statute, the burden is on the defendant to show ... that extraordinary circumstances exist which require the application of the doctrine of laches." *Shell* v. *Strong*, 151 F.2d 909, 911 (10th Cir. 1945). But when those extraordinary circumstances exist, applying laches represents not a rejection of Congress's policy judgments, but rather a refusal to permit a plaintiff to invoke the protection of the court when his or her conduct is unreasonable.[5]

B. The Copyright Act Reflects No Intent To Displace The Traditional Application Of Laches

Courts have applied the doctrine of laches for centuries. Like other equitable doctrines, such as tolling and estoppel, laches forms part of the "background of common-law adjudicatory principles" against which

---

[5] Petitioner cites (at 28) the Court's statement in *Holmberg* v. *Armbrecht*, 327 U.S. 392, 395 (1946), that "[i]f Congress explicitly puts a limit upon the time for enforcing a right which it created, there is an end of the matter." But *Holmberg* held only that when Congress specifies a statute of limitations for a federal claim, federal courts must apply that limitations period and need not look to state law for a limitations period (as they would do had Congress been silent on the limitations period). The Court did not address the availability of a laches defense within an express limitations period. Nor did *Russell* v. *Todd*, 309 U.S. 280 (1940), hold that laches may never apply within the period of an applicable statute of limitations. It simply held that the court below had correctly applied laches, and not a state statute of limitations, to a federal equity suit.

"Congress is understood to legislate." *Astoria Fed. Sav. & Loan Ass'n* v. *Solimino*, 501 U.S. 104, 108 (1991). "Thus, where a common-law principle is well established," such as laches, "the courts may take it as given that Congress has legislated with an expectation that the principle will apply." *Id.*

It is undisputed that other equitable doctrines apply to suits under the Copyright Act, including doctrines that affect the operation of the statute of limitations. Petitioner concedes (at 32) that equitable tolling applies in copyright suits to suspend the statute of limitations when equity so requires, such as in cases of fraudulent concealment. *See, e.g.*, *Prather* v. *Neva Paperbacks, Inc.*, 446 F.2d 338, 340 (5th Cir. 1971); *CA Inc.* v. *Rocket Software, Inc.*, 579 F. Supp. 2d 355, 360-361 (E.D.N.Y. 2008). Similarly, equitable estoppel may bar a claim under the Copyright Act when a plaintiff makes a misrepresentation believing that the defendant will rely on it and the defendant does rely on the misrepresentation to his or her detriment. *See Marvel Characters, Inc.* v. *Simon*, 310 F.3d 280, 292 (2d Cir. 2002); *Hampton* v. *Paramount Pictures Corp.*, 279 F.2d 100, 104 (9th Cir. 1960). The equitable defense of unclean hands is also available in copyright cases when a plaintiff commits a wrong related to the controversy between the parties. *See Saxon* v. *Blann*, 968 F.2d 676, 680 (8th Cir. 1992); *Supermarket of Homes, Inc.* v. *San Fernando Valley Bd. of Realtors*, 786 F.2d 1400, 1408 (9th Cir. 1986); *see also Tempo Music, Inc.* v. *Myers*, 407 F.2d 503, 507 (4th Cir. 1969).

Petitioner offers no reason why these equitable doctrines should apply, but laches should not. Courts applied laches to suits under the Copyright Act long before the statute of limitations was enacted, *see West Publ'g Co.* v. *Edward Thompson Co.*, 176 F. 833, 838

(2d Cir. 1910), making the doctrine just as "baked into" the Copyright Act as other background principles (Pet. Br. 33). As noted, *see supra* pp. 20-21, the Federal Rules thus identify laches as an available affirmative defense in civil actions. *See A.C. Aukerman*, 960 F.2d at 1031; Fed. R. Civ. P. 8(c)(1). Just as equitable tolling may lengthen the statutory period for bringing suit when equity so requires, laches may also preclude suit within the limitations period when the equitable considerations of unreasonable delay and prejudice are present. "What is sauce for the goose (the plaintiff seeking to extend the statute of limitations) is sauce for the gander (the defendant seeking to contract it)." *Teamsters & Emp'rs Welfare Trust of Ill.* v. *Gorman Bros. Ready Mix*, 283 F.3d 877, 882 (7th Cir. 2002).

Neither the text of the Copyright Act nor its legislative history evinces any congressional intent to treat laches differently than it treats other background equitable principles. Petitioner argues (at 31-33) that Congress's failure expressly to authorize the defense of laches in the text of the Copyright Act, as she contends it has done in other intellectual property statutes, indicates an intent to reject the doctrine's application. The fact, however, that Congress permitted the application of laches in claims brought under the Patent Act suggests that Congress saw no reason the laches doctrine cannot coexist with a statute of limitations. Moreover, the Patent Act's ambiguous reference to defenses based on the "absence of liability for infringement or unenforceability" is hardly a sufficiently explicit endorsement of laches to support the negative implication Ms. Petrella advances. *See* 35 U.S.C. § 282(b)(1). That it has nonetheless been interpreted to permit laches—even in the face of the Patent Act's six-year statute of limitations, *id.* § 286—only underscores the place of

laches as a well-settled background rule against which Congress is presumed to legislate. *See A.C. Aukerman*, 960 F.2d at 1028-1032 ("Without exception, all circuits recognized laches as a defense to a charge of patent infringement despite the reenactment of the damages limitations in the 1952 statute."). Thus, the inclusion of an express reference to laches in the Lanham Act likewise does not support the inference that Congress intended silently to exclude it from the Copyright Act.

Legislative history confirms that Congress expected equitable defenses to apply. Because the three-year statute of limitations that was ultimately adopted had the effect of shortening the period of time in which plaintiffs could have asserted copyright claims under some of the state statutes of limitations that had previously governed, Congress considered whether the availability of equitable tolling should be expressly addressed in the statute. Pet. Br. 34-35 (citing *Copyrights—Statute of Limitations: Hearing on H.R. 781 Before Subcomm. No. 3 of the H. Comm. On the Judiciary*, 84th Cong. 14, 29 (1955) (statement of Herman Finkelstein)). Congress concluded that no "specific[] enumerat[ion]" of relevant equitable considerations was necessary, because "'Federal District Courts, generally, recognize these equitable defenses anyway.'" S. Rep. No. 85-1014, at 2, 3 (1957); *see also* U.S. Br. 24-26.[6]

---

[6] Petitioner cites (at 23-24) the hearing testimony of Fulton Brylawski, a representative of the Association of American Motion Pictures, as the MPAA was then known. His testimony that a new copyright claim accrues for each independent act of infringement, triggering a fresh three-year limitations period, simply stated the rule now known as the well-settled "separate accrual" rule. *See supra* pp. 10-11. Moreover, his testimony pertained to cases of fraudulent concealment and did not address the availability of

III. Application Of Laches In Extraordinary Cases Does Not Cause The Negative Effects Petitioner Predicts

Courts have made judicious use of laches in copyright cases for over a century. *See, e.g., Gilmore* v. *Anderson*, 38 F. 846, 848 (S.D.N.Y. 1889). And courts have continued to apply laches since the statute of limitations was added to the Copyright Act. *See, e.g., New Era Publ'ns*, 873 F.2d at 584-585. Against this background, petitioner seeks a rule categorically precluding the laches defense in all Copyright Act cases, contending that its application would bring about a host of negative policy consequences. Petitioner's proposed rule, however, is excessively broad and unwarranted. Many of her arguments would apply equally to cases litigated under any federal statute containing a statute of limitations. That result would contradict numerous decisions that have held laches to be available alongside a governing statute of limitations. *See, e.g., Morgan*, 536 U.S. at 121-122 (laches is available in Title VII cases despite statutory charging period); *A.C. Aukerman*, 960 F.2d 1020 (applying laches to patent cases despite six-year limitation period); *Brin-Mont Chems.*, 154 B.R. at 907 (holding in the bankruptcy context that "laches can, under exceptional circumstances, cut short an express statute of limitations").

Petitioner cites no ill effects from the application of laches in the copyright context that would warrant elimination of the doctrine. She warns (at 17) that a copyright owner might bring suit "prematurely" or take a chance on bringing a nonmeritorious claim to

---

laches or assert that a copyright claim could not be barred in extraordinary cases of unreasonable delay and significant prejudice. *Hearing on H.R. 781*, at 46-48 (statement of Fulton Brylawski).

avoid a laches bar. As a preliminary matter, however, she cites no evidence of a rash of unripe or ill-conceived suits seeking to avoid the laches bar in those circuits that have held laches applicable to copyright infringements claims. Nor does she acknowledge the use of tolling agreements, which allow plaintiffs to study the merits of their claims without exposing themselves to a time bar, or the possibility of an award of attorneys' fees, which deters frivolous claims. In any event, it would hardly be inconsistent with the Copyright Act if the law encouraged copyright owners who have valid infringement claims to act with reasonable promptness in filing suit to achieve clarity and finality with respect to the rights of copyright owners and of those accused of infringement. In contrast, were laches categorically unavailable, as petitioner urges, putative copyright owners could engage in egregious and prejudicial delay to hold up distribution of creative works only after they become profitable.

Petitioner argues (at 45-47) that imposing laches to bar a claim for injunctive relief amounts to an uncompensated compulsory license for infringers. As owners of copyrights, amici's members share petitioner's wariness of any widespread "windfall[]" of uncompensated compulsory licenses. Pet. Br. at 46. But applying a defense to an injunctive claim when the facts support it does not amount to a compulsory license. The Copyright Act provides for compulsory licenses in certain defined circumstances. *See, e.g.*, 17 U.S.C. § 115 (compulsory license for publicly distributed musical works); *id.* § 111 (statutory license for secondary transmissions by cable systems). At the same time, it delineates defenses, such as the statute of limitations, that preclude a copyright owner from obtaining relief to prevent others' uses of the copyright work, even if he or she has an

otherwise valid infringement claim. *Id.* § 507(b). Such defenses do not thereby confer a compulsory license.

Moreover, courts applying laches must consider the equities in light of all the circumstances of the particular case. "The statute [of limitations] frequently works great practical injustice, the doctrine of laches, never." *Patterson*, 195 U.S. at 317. Laches does not mechanically bar injunctive relief against any infringer who escapes suit for three years. It applies only when the plaintiff has acted unreasonably to the detriment of the defendant. And laches is unavailable against a "deliberate infringer." *See Danjaq*, 263 F.3d at 956; *see also* 3 *Nimmer* § 12.06.

Finally, petitioner asserts (at 39-42) that application of laches to copyright infringement suits seeking injunctive relief would be inconsistent with this Court's holding in *eBay Inc.* v. *MercExchange, L.L.C.*, 547 U.S. 388 (2006), by "categorically foreclos[ing] injunctive ... relief, based on a test other than the traditional four-factor test." This argument misunderstands both the teachings of *eBay* and the role of laches. In *eBay*, the Court held that courts may not replace the traditional four-factor test for obtaining injunctive relief with "broad classifications" or a "categorical rule." *Id.* at 393. Instead, in deciding whether to grant injunctive relief, courts must exercise "equitable discretion" "consistent with traditional principles of equity." *Id.* at 394.

Application of laches is consistent with these principles of equity. Rather than divesting the equitable discretion of courts, as did the approach rejected in *eBay*, the doctrine of laches "invokes the *discretionary* power of the district court to limit the defendant's liability for infringement by reason of the equities between the particular parties." *A.C. Aukerman*, 960

F.2d at 1030. If anything, elimination of the laches defense would violate *eBay* by depriving courts of the discretion that has traditionally been available in equity to prevent a plaintiff from subjecting a defendant to substantial prejudice through unreasonable delay. Eliminating that discretion would permit a never-ending prospect of increasingly stale litigation to cast permanent doubt on the economic arrangements underpinning creative fields like the motion picture, publishing, and software industries. Congress's adoption of a statute of limitations indicates no intent to bring about that result.

CONCLUSION

The court of appeals' judgment should be affirmed.

Respectfully submitted.

BROOK HOPKINS
WILMER CUTLER PICKERING
HALE AND DORR LLP
60 State Street
Boston, MA 02109
(617) 526-6000

SETH P. WAXMAN
Counsel of Record
RANDOLPH D. MOSS
CATHERINE M.A. CARROLL
WILMER CUTLER PICKERING
HALE AND DORR LLP
1875 Pennsylvania Ave., NW
Washington, DC 20006
(202) 663-6000
seth.waxman@wilmerhale.com

DECEMBER 2013

AMICUS CURIAE BRIEF

RECORD
AND
BRIEFS

No. 12-1315

IN THE

Supreme Court of the United States

PAULA PETRELLA,

Petitioner,

v.

METRO-GOLDWYN-MAYER INC., ET AL.,

Respondents.

ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

BRIEF OF AMICUS CURIAE NEW ENGLAND LEGAL FOUNDATION IN SUPPORT OF RESPONDENTS

Counsel for Amicus Curiae

Benjamin G. Robbins
Counsel of Record
Martin J. Newhouse, President
New England Legal Foundation
150 Lincoln Street
Boston, Massachusetts 02111-2504
Tel.: (617) 695-3660
benrobbins@nelfonline.org

December 23, 2013

BATEMAN & SLADE, INC BOSTON, MASSACHUSETTS

Library of Congress
Law Library

TABLE OF CONTENTS

TABLE OF AUTHORITIES iii

INTEREST OF AMICUS CURIAE 1

SUMMARY OF ARGUMENT 3

ARGUMENT 6

I. LACHES SHOULD BE AVAILABLE IN A CASE OF CONTINUOUS COPYRIGHT INFRINGEMENT TO BAR A CLAIM THAT FIRST ACCRUED 18 YEARS BEFORE THE PLAINTIFF FILED SUIT, WHERE THE PLAINTIFF'S UNREASONABLE DELAY HAS CAUSED THE DEFENDANT EVIDENTIARY AND ECONOMIC HARM 6

A. In A Case of Continuous Copyright Infringement, The Plaintiff Can Delay Filing Suit Indefinitely Because She Has A "Rolling," Three-Year Right Of Action In The *Same* Recurring Claim Each Time The Defendant Exploits The Same Disputed Work 7

B. Under *National Railroad Passenger Corporation v. Morgan*, Laches Is Available To Prevent A Plaintiff From Abusing A Rolling Limitations Period By Delaying Unreasonably In Filing Her Otherwise Timely Claim, And Thereby Causing The Defendant Evidentiary Harm. 13

C. Laches Is Necessary To Prevent A Copyright Plaintiff From Abusing A Rolling Limitations Period And Thereby Causing The Defendant Evidentiary And Economic Harm. 16

CONCLUSION 20

TABLE OF AUTHORITIES

CASES

Bridgeport Music, Inc. v. Rhyme Syndicate Music,
376 F.3d 615 (6th Cir. 2004) 7, 8

Credit Suisse Sec. (USA) LLC v. Simmonds,
132 S. Ct. 1414 (2012) 19

Crown, Cork & Seal Co. v. Parker,
462 U.S. 345 (1983) 12

Danjaq LLC v. Sony Corp.,
263 F.3d 942 (9th Cir. 2001) 10, 11, 16

Haas v. Leo Feist, Inc.,
234 F. 105 (D.C.N.Y. 1916) 11, 18

Hamil Am., Inc. v. GFI,
193 F.3d 92 (2d Cir. 1999) 10

Klehr v. A.O. Smith Corp.,
521 U.S. 179 (1997) 18

Nat'l R.R. Passenger Corp. v. Morgan,
536 U.S. 101 (2002) ..... *passim*

Roley v. New World Pictures, Ltd.,
19 F.3d 479 (9th Cir. 1994) 8, 11

Seven Arts Filmed Entertainment Ltd. v. Content Media Corp. PLC,
733 F.3d 1251 (9th Cir. 2013) 7, 10

Stewart v. Abend,
495 U.S. 207 (1990) 6, 8, 14

Stogner v. California,
539 U.S. 607 (2003) 17

Stone v. Williams,
970 F.2d 1043 (2d Cir. 1992) 8

William A. Graham Co. v. Haughey,
646 F.3d 138 (3d Cir. 2011) 8

William A. Graham Co. v. Haughey,
568 F.3d 425 (3d Cir. 2009) 7, 8

Zuill v. Shanahan,
80 F.3d 1366 (9th Cir. 1996) 10

STATUTES

17 U.S.C. § 302(a) 16

17 U.S.C. § 304(a)(1)(B)(i) 16

17 U.S.C. § 507(b) 7

OTHER AUTHORITIES

Pauline Kael, *5001 Nights at the Movies* (1991) 17

INTEREST OF AMICUS CURIAE

Amicus curiae New England Legal Foundation ("NELF") seeks to present its views, and the views of its supporters, on the issue presented in this case, namely whether the equitable defense of laches should be available to bar a claim of copyright infringement that first accrued *18* years before the plaintiff filed suit, and reaccrued repeatedly thereafter, when the plaintiff knew about her claim from the outset, and her unreasonable delay has prejudiced the defendant.[1]

NELF is a nonprofit, nonpartisan, public interest law firm, incorporated in Massachusetts in 1977 and headquartered in Boston. Its membership consists of corporations, law firms, individuals, and others who believe in NELF's mission of promoting balanced economic growth in New England, protecting the free enterprise system, and defending economic rights. NELF's members and supporters include both large and small businesses located primarily in the New England region.

---

[1] Pursuant to Supreme Court Rule 37.6, amicus states that no counsel for a party authored this brief in whole or in part, and no person or entity, other than amicus, made a monetary contribution to the preparation or submission of the brief.

Pursuant to Supreme Court Rule 37.3(a), amicus also states that, on October 4, 2013, and on October 9, 2013, counsel of record for the petitioner and counsel of record for the respondents filed respectively with this Court a blanket consent to the filing of amicus briefs, in support of either or neither party.

NELF is committed to a balanced interpretation of federal statutes, such as the Copyright Act, that affect the potentially competing property rights and economic interests of individuals and businesses. For this reason, NELF strongly supports the ability of the courts to use their inherent equitable powers in cases of continuous copyright infringement, such as this one, in which a "rolling" statute of limitations allows the plaintiff to litigate stale claims. In such cases, the defense of laches is necessary to prevent the plaintiff from abusing this rolling limitations period and hence the judicial process. Recognition of the laches defense allows a court to fulfill the thwarted purpose of the statute of limitations in such cases: to protect the defendant from having to litigate stale claims.

NELF has filed a number of other amicus briefs in recent cases before this Court that address issues of statutory interpretation affecting businesses.[2]

---

[2] *See, e.g.*, *Atlantic Marine Constr. Co. v. United States Distr. Ct. for the Western Dist. of Tex.*, 134 S. Ct. 568 (2013) (forum selection clause designating particular federal judicial district generally enforceable, in motion to transfer venue under 28 U.S.C. § 1404(a)); *Univ. of Tex. Sw. Med. Ctr. v. Nassar*, 133 S. Ct. 2517 (2013) (standard of but-for causation, and not mixed-motive liability, applies to Title VII retaliation claims); *Vance v. Ball State*, 133 S. Ct. 2434 (2013) (employer vicariously liable for hostile work environment under Title VII only when harassing employee is capable of taking tangible employment actions against victim); *Am. Express Co. v. Italian Colors Restaurant*, 133 S. Ct. 2304 (2013) (absent contrary congressional command, Federal Arbitration Act requires enforcement of class action waivers in arbitration of federal statutory claims); *AT&T Mobility LLC v. Concepcion*, 131 S. Ct. 1740 (2011) (FAA preempts state law effectively requiring class

NELF believes that its brief in this case will assist this Court in deciding the important issue of whether laches should be available to prevent the plaintiff from abusing a rolling limitations period in circumstances like those presented here.

SUMMARY OF ARGUMENT

The laches defense is a crucial equitable safeguard in a case of continuous copyright infringement, such as this one, where the plaintiff has an indefinite right to sue on the same recurring claim of copyright infringement. In such a case, the plaintiff has been on notice of her claim from the outset but has delayed filing suit for many years, thereby allowing the defendant to continue exploiting the same allegedly infringing work. But the statute of limitations cannot bar the plaintiff's stale claim, because many lower federal courts have held that a new claim accrues with each new act of infringement. Thus, the plaintiff has a "rolling," three-year right to sue on the same recurring claim of copyright infringement.

Laches is a necessary defense in such a case to prevent the plaintiff from abusing this rolling limitations period, to the evidentiary and economic detriment of the defendant. Without the laches defense, the plaintiff can stand by and allow the same claim of copyright infringement to reaccrue repeatedly over a long period of time. And with each

---

arbitration as condition of enforcing consumer arbitration agreements). *See also Lawson v. FMR LLC*, *cert. granted*, 133 S. Ct. 2387 (May 20, 2013) (No. 12–3) (issue whether Sarbanes-Oxley Act's whistleblower provision protects employees of private companies that contract with publicly held companies).

foreseeable recurrence of the same claim, the plaintiff's potential share of the defendant's profits accumulates. She is thus free to delay filing suit indefinitely and strategically on a claim that first accrued many years before the limitations period, which is generally when the defendant created and first exploited the work.

This Court has, in effect, already decided the issue in this case in the respondents' favor: laches is available to prevent a plaintiff from abusing a rolling limitations period by delaying unreasonably in filing her otherwise timely claim, and thereby causing the defendant evidentiary harm. *See Nat'l R.R. Passenger Corp. v. Morgan*, 536 U.S. 101 (2002). In *Morgan*, as in this case, the federal statutory claim continues to accrue under the applicable statute of limitations with each repeated and related act of the defendant. Thus, the plaintiff in each case has a virtually indefinite right of action in the same ongoing claim, allowing the plaintiff to delay filing suit. When such a plaintiff does eventually decide to sue, it is therefore likely that the claim will have arisen from facts occurring long before the applicable limitations period, and that the plaintiff will have long been aware of those ancient operative facts. As a result, the plaintiff's unreasonable delay will have caused the loss of evidence that is essential to the defendant's case. Therefore, laches becomes necessary to prevent irreparable evidentiary harm to the defendant in claims that are subject to a rolling limitations period.

The evidentiary prejudice identified in *Morgan* is even more pronounced in cases of ongoing

copyright infringement, because the statutory term of the plaintiff's copyright is often quite long. As in this case, the evidence necessary to defend the infringement claim would have arisen from facts and events that occurred long ago, when the defendant created the allegedly infringing work. And, as in this case, the defendant's key evidence could be irretrievably lost, due to the plaintiff's permissible delay under a rolling limitations period. Witnesses who are necessary for defending the claim may die or otherwise become unavailable, and memories may fade. The longer the plaintiff delays filing suit after her claim first accrues, the more likely the defendant will suffer irreparable evidentiary harm, as this case pointedly illustrates.

A long-delayed claim of copyright infringement is also likely to inflict economic harm on the defendant. Without the laches defense, the plaintiff is free to lie in wait for several years while the defendant invests substantial capital to exploit what it believes in good faith to be its *own* original work to exploit. And then, when the defendant's money and efforts have borne fruit and have thus made a lawsuit worth the plaintiff's while, she can choose to sue and seek recovery of her share of three years' worth of the defendant's highest profits.

Without the laches defense, then, the plaintiff in a case of continuous copyright infringement could abuse the rolling limitations period without any judicial oversight. Recognition of the laches defense in such cases is therefore necessary to fulfill the gatekeeping function of a statute of limitations: to

protect the defendant from having to defend a stale claim.

ARGUMENT

I. LACHES SHOULD BE AVAILABLE IN A CASE OF CONTINUOUS COPYRIGHT INFRINGEMENT TO BAR A CLAIM THAT FIRST ACCRUED 18 YEARS BEFORE THE PLAINTIFF FILED SUIT, WHERE THE PLAINTIFF'S UNREASONABLE DELAY HAS CAUSED THE DEFENDANT EVIDENTIARY AND ECONOMIC HARM.

At issue in this case is whether a federal court may apply the equitable doctrine of laches to bar a plaintiff from delaying for *18* years before filing suit on a claim of copyright infringement, resulting in economic and evidentiary harm to the defendant. It is undisputed that the petitioner, Paula Petrella, knew about her claim of potential copyright infringement from its inception, in 1991, but that she did not file suit until 2009. *See* Respondents' Brief ("Resp. Br.") 2-3.[3] Moreover, the petitioner

---

[3] In particular, in 1991, the petitioner, aware of this Court's decision in *Stewart v. Abend*, 495 U.S. 207 (1990), perfected her inherited renewal rights in her late father's copyright in a 1963 screenplay about the former boxer Jake LaMotta. *See* Resp. Br. 2. Respondents had allegedly used this 1963 screenplay, with Mr. Petrella's permission, as source material for the 1980 film *Raging Bull*. *See id.* at 1. However, due to Mr. Petrella's death in 1981, ten years before the start of the renewal period in the screenplay, the renewal rights reverted to his statutory heirs, including the petitioner, in 1991. *See id.* at 2. Thus, as of 1991, the petitioner knew that *Raging Bull* allegedly infringed her inherited copyright in the 1963 screenplay.

waited so long to file suit primarily because the respondents' allegedly infringing work, the 1980 film *Raging Bull*, had not yielded a profit for many years. *See* Resp. Br. at 3.

A. In A Case of Continuous Copyright Infringement, The Plaintiff Can Delay Filing Suit Indefinitely Because She Has A "Rolling," Three-Year Right Of Action In The *Same* Recurring Claim Each Time The Defendant Exploits The Same Disputed Work.

The laches defense is a crucial equitable safeguard in a case of continuous copyright infringement, such as this one, where the plaintiff has an indefinite right to sue on the same recurring claim of copyright infringement. In such a case, the plaintiff has long been on notice of her claim, because the defendant has been repeatedly and openly exploiting the *same* disputed work for many years. When the plaintiff eventually does choose to sue, however, the applicable statute of limitations[4] cannot bar her stale claim. This is so because, according to many lower federal courts, "each new infringing act causes a *new* claim to accrue . . . ." *Seven Arts Filmed Entertainment Ltd. v. Content Media Corp. PLC*, 733 F.3d 1251, 1254 (9th Cir. 2013) (emphasis added). *See also William A. Graham Co. v. Haughey*, 568 F.3d 425, 433 (3d Cir. 2009) (holding same); *Bridgeport Music, Inc. v.*

---

[4] "No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued." 17 U.S.C. § 507(b).

Rhyme Syndicate Music, 376 F.3d 615, 621 (6th Cir. 2004) (same); *Stone v. Williams*, 970 F.2d 1043, 1049-50 (2d Cir. 1992) (same). Thus, "in a case of continuing copyright infringements, an action may be brought for all acts that accrued within the three years preceding the filing of suit." *Roley v. New World Pictures, Ltd.*, 19 F.3d 479, 481 (9th Cir. 1994). *See also William A. Graham Co. v. Haughey*, 568 F.3d at 433 (holding same); *Bridgeport Music*, 376 F.3d at 621 (same); *Stone v. Williams*, 970 F.2d at 1049-50 (same).

As a result, the plaintiff in a case such as this one has a "rolling," three-year right to sue on the *same* recurring claim of copyright infringement each time the defendant exploits the same disputed work. The plaintiff is therefore free to abuse this rolling limitations period by filing suit many years after the first accrual of that claim, which is generally when the defendant created and first exploited the disputed work. *See William A. Graham Co. v. Haughey*, 646 F.3d 138, 141, 150-51 (3d Cir. 2011) (copyright infringement claim first accrued when defendant first used insurance coverage proposals, derived from former employer's insurance materials, in presentation to clients).[5]

In a case of ongoing copyright infringement such as this one, then, the plaintiff has only *one*

---

[5] In this *Abend* case, of course, the claim did not first accrue when the respondents first released *Raging Bull* in 1980. Instead, the film "became" a potentially infringing work in 1991, when the petitioner perfected her renewal rights in the 1963 screenplay that allegedly served as source material for the film. *See* n.3, above.

underlying, recurring claim of infringement. While the defendant's particular acts of exploiting its allegedly infringing work may differ over time--such as by first releasing a film for its theatrical run and later by selling copies of that same film in DVD or Blu-ray format--the *content* of the defendant's work remains unchanged. If there are indeed any elements of the defendant's work that infringe the plaintiff's copyright in a preexisting work, then the defendant's repeated commercial exploitation of its fixed work (in different formats that do not alter its content) merely reproduces these same infringing elements. Therefore, each new act of the defendant raises the same claim of copyright infringement because it implicates the *same* allegedly infringing elements that are contained in the defendant's work. After all, a claim for copyright infringement focuses on whether the defendant's work has copied "constituent elements of the [plaintiff's] work that are original." *Feist Publ'ns., Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361 (1991).

In this light, then, the different ways in which the defendant may exploit its work over time are really just repeated instances of the same, recurring claim of copyright infringement:

> Where, as here, the allegedly infringing aspect of the DVD [of the disputed movie] is identical to the alleged infringements contained in the underlying movie [itself], then the two should be treated *identically* for purposes of laches. . . . [T]he perfect overlap between the alleged

> infringements in the DVD re-releases and the original movies requires us *to treat them the same for purposes of laches, regardless of the statute of limitations.*

Danjaq LLC v. Sony Corp., 263 F.3d 942, 953-54 (9th Cir. 2001) (laches barred long-delayed claim that certain of defendants' James Bond films, released in different formats over several decades, infringed plaintiff's copyright in prior written works) (emphasis added).

An infringement claim is thus a one-time-only determination that includes a comparison of the defendant's work with the plaintiff's work, to determine whether the defendant has copied substantial, protectable portions of the plaintiff's work. *See Hamil Am., Inc. v. GFI,* 193 F.3d 92, 99 (2d Cir. 1999) (discussing same). As in this case, the claim can also include other factual disputes connected with the work's creation, such as authorship of the work, ownership of the copyright in the work, and independent origination of the work. *See, e.g.*, *Seven Arts Filmed Entertainment v. Content Media Corp.*, 733 F.3d at 1252-53 (co-ownership dispute in copyright case); *Danjaq,* 263 F.3d at 956 (defense of independent origination); *Zuill v. Shanahan*, 80 F.3d 1366, 1369 (9th Cir. 1996) (co-authorship dispute in copyright case). *See also* Resp. Br. 51-52.

All of these potential factual disputes arise as soon as the defendant has created the allegedly infringing work. And the outcome of these factual

issues will not change each time the defendant exploits the *same* fixed work in a different way. "[T]he feared future infringements are identical to the alleged past infringements. . . . [E]ach of the objectionable [exploiting acts]--past, present, and future--infringes upon [the plaintiff's] rights in the same way, stemming from the *same claimed original sin*" of unlawful copying from the plaintiff's preexisting work. *Danjaq*, 263 F.3d at 960 (emphasis added).

In point of fact, then, the defendant's repeated exploitation of its unchanging work, in different formats, does not raise any new claims of copyright infringement. Instead, the defendant's repeated acts are probative only of the *profits* that accumulate each time the plaintiff allows her single claim of copyright infringement to reaccrue. For this reason, laches should be available to prevent a plaintiff from abusing a rolling limitations period "to speculate without risk with the [defendant's] money . . . ." *Haas v. Leo Feist, Inc.*, 234 F. 105, 108 (D.C.N.Y. 1916) (Hand, J.).

Thus, in a case of continuous copyright infringement such as this one, the plaintiff's "new" claim that accrues with each infringing act is really just the repeated accrual of the same claim, which first accrued several years before the limitations period began. And a rolling statute of limitations cannot bar this stale claim. Instead, it merely bars the plaintiff from recovering on acts that occurred more than three years before she filed suit. *See Roley v. New World Pictures*, 19 F.3d at 481. The defendant must still defend this ancient claim,

because each "timely" act of the defendant implicates the same old claim. And the plaintiff's undue delay is likely to have handicapped or even defeated the defendant's case, by causing the irretrievable loss of essential evidence. The plaintiff's impassivity for many years is also likely to have caused the defendant to invest substantial capital in exploiting the work, under the defendant's reasonable assumption that it had every right to do so.

Recognition of the laches defense would allow a court to prevent a plaintiff from abusing a rolling limitations period under the circumstances of this case, to the defendant's evidentiary and economic detriment. A court applying the laches doctrine could look past the "separate accrual" of each claim in a case of continuous copyright infringement and instead treat all of these related acts as instances of the same, ancient claim of copyright infringement.

Without the laches defense, then, a plaintiff suing on a claim that is subject to a rolling limitations period can defeat the basic purpose of the statute of limitations--to protect the defendant from having to litigate a stale claim. *See Crown, Cork & Seal Co. v. Parker*, 462 U.S. 345, 352 (1983) ("Limitations periods are intended to put defendants on notice of adverse claims and to prevent plaintiffs from sleeping on their rights . . . ."). Recognition of the laches defense would allow a court to protect a defendant from evidentiary and economic harm, thereby fulfilling the thwarted purpose of the statute of limitations in a case like this one.

B. Under *National Railroad Passenger Corporation v. Morgan*, Laches Is Available To Prevent A Plaintiff From Abusing A Rolling Limitations Period By Delaying Unreasonably In Filing Her Otherwise Timely Claim, And Thereby Causing The Defendant Evidentiary Harm.

This Court has, in effect, already decided the issue in this case in the respondents' favor: laches is available to prevent a plaintiff from abusing a rolling limitations period by delaying unreasonably in filing her otherwise timely claim, and thereby causing the defendant evidentiary harm. *See Nat'l R.R. Passenger Corp. v. Morgan*, 536 U.S. 101, 121 (2002)("[A]n employer [defending a Title VII hostile work environment claim] may raise a laches defense, which bars a plaintiff from maintaining a suit if he unreasonably delays in filing a suit and as a result harms the defendant."). *Morgan* is on all fours with this case and therefore warrants a close reading.

The Court in *Morgan* explained that laches is available in Title VII hostile work environment claims because, as in this case, the same claim *continues to accrue* under the applicable statute of limitations with each repeated and related act of the defendant. *See Morgan*, 536 U.S. at 117-18, 121-22. Stated more precisely, the Court held that a hostile work environment constitutes one claim that continues to accrue with each new, related act of the harassing employee. *See id.*, 536 U.S. at 117-18. Similarly, in a case of continuous copyright infringement, there is one underlying claim that

continues to *reaccrue* with each new exploiting act of the defendant in the same disputed work.

In both hostile work environment and continuous copyright cases, the plaintiff is likely to know that the defendant has been engaging repeatedly in the same kind of conduct over a long period of time. *See Morgan*, 536 U.S. at 115, 118. Each case involves an ongoing and open pattern of conduct, which the plaintiff may *allow* to continue by remaining inactive under a rolling limitations period. *See id.*, 536 U.S. at 115, 117, 121. This is because each new act of the defendant, however foreseeable or repetitive it may be, gives the plaintiff a new right of action in the same old claim. *See id.* at 117. Thus, the rolling statute of limitations applicable in each case permits the plaintiff to delay filing suit with impunity, while the defendant continues to engage in the same, foreseeable pattern of conduct. *See id.*, 536 U.S. at 117-18, 121.

In short, the plaintiff in each case has a virtually *indefinite* right of action in the same ongoing claim, allowing the plaintiff to delay filing suit. When such a plaintiff does eventually decide to sue, it is therefore likely that the claim will have arisen from facts that occurred long before the applicable limitations period, and that the plaintiff will have long been aware of those ancient operative facts. *See Morgan*, 536 U.S. at 115, 117-18, 121.[6]

---

[6] As amicus has discussed above, a claim for copyright infringement first accrues generally when the defendant creates and first exploits the disputed work. However, in *Abend* claims, such as this one, the claim first accrues when the

As a result, the defendant in each case may be "significantly handicapped in making his defense . . . ." *Morgan*, 536 U.S. at 121. That is, the plaintiff's abuse of a rolling limitations period in each case could cause the loss of evidence that is essential to the defendant's case. *See id.* The defendant could therefore be prejudiced by having to defend a claim that is no longer defensible, due to the plaintiff's unreasonable delay. *See id.* Therefore, laches becomes necessary to prevent such evidentiary harm to the defendant in claims that are subject to a rolling limitations period. "In such cases, the federal courts have the discretionary power to locate a just result in light of the circumstances peculiar to the case." *Id.*, 536 U.S. at 121 (citation and internal quotation marks omitted).

In sum, *Morgan* establishes that laches is an essential defense in claims like this one, to prevent the plaintiff from abusing her virtually unlimited right of action in the same, continuously accruing claim. *Morgan* recognizes that a rolling limitations period allows the plaintiff to delay unreasonably in filing suit, and that such delay could cause the defendant grave evidentiary harm. *Morgan* therefore empowers a court to bar an otherwise timely claim under the laches doctrine, to protect the defendant from evidentiary prejudice and to prevent the plaintiff from abusing a rolling limitations period.

---

plaintiff perfects her renewal rights in the allegedly infringed work.

C. Laches Is Necessary To Prevent A Copyright Plaintiff From Abusing A Rolling Limitations Period And Thereby Causing The Defendant Evidentiary And Economic Harm.

The evidentiary prejudice identified in *Morgan* is even more pronounced in cases of ongoing copyright infringement, because the statutory term of the plaintiff's copyright is often quite long.[7] As in this case, the evidence necessary to defend the infringement claim would have arisen from facts and events that occurred many years ago, when the defendant created the allegedly infringing work. And, as in this case, the defendant's key evidence could be irretrievably lost, due to the plaintiff's permissible delay under a rolling limitations period. Witnesses who are necessary for defending the claim may die or otherwise become unavailable, and memories may fade.[8] "[T]he passage of time has

---

[7] For example, the renewal copyright term for works, such as the 1963 screenplay at issue in this case, that are created and registered before January 1, 1978 is *67* years. 17 U.S.C. § 304(a)(1)(B)(i). For works created on or after January 1, 1978, the copyright term is even more generous and subsists generally for the *life* of the author, plus an additional *70* years. 17 U.S.C. § 302(a).

[8] As amicus has discussed above, a claim for copyright infringement is not limited to a comparative analysis of the plaintiff's and defendant's works. As this case clearly illustrates, live witness testimony would be necessary to prove such defenses as co-authorship of the plaintiff's work or lack of originality in the plaintiff's work, based on the disputed chronology of certain works at issue here. *See* Resp. Br. 51-52. *See also Danjaq*, 263 F.3d at 956 (defense of independent origination required live witness testimony, thereby

eroded memories or made witnesses or other evidence unavailable . . . ." *Stogner v. California*, 539 U.S. 607, 615 (2003).

The defendant in a case like this one is thus disadvantaged by a defense that remains fixed in time with the creation of the disputed work. The plaintiff, however, is free to stand by and let the same old claim reaccrue indefinitely with each repeated act of the defendant. The longer the plaintiff delays filing suit after her claim first accrues, the more likely the defendant will suffer irreparable evidentiary harm, as this case pointedly illustrates.

Quite apart from the evidentiary prejudice identified in *Morgan*, a long-delayed claim of copyright infringement is also likely to inflict economic harm on the defendant. Without the laches defense, the plaintiff is free to lie in wait for several years while the defendant invests substantial capital to exploit what it believes in good faith to be its *own* original work to exploit.[9] And then, when the defendant's money and efforts have

---

establishing evidentiary prejudice warranting application of laches).

[9] In this case, for example, one esteemed film critic has noted that *Raging Bull is* a highly ambitious and self-consciously *original* work that incorporates many diverse cinematic and cultural elements and transforms them into a unique whole: "[*Raging Bull*] is a biography of the prizefight *genre*; it's also about movies and about violence, it's about gritty visual rhythm, it's about Brando, it's about the two *Godfather* pictures--it's about Scorsese and De Niro's trying *to top what they've done and what everybody else has done*." Pauline Kael, *5001 Nights at the Movies* 612 (1991) (emphasis added).

borne fruit and have thus made a lawsuit worth the plaintiff's while, she can choose to sue and seek recovery of her share of three years' worth of the defendant's profits.

Laches should therefore be available to prevent the plaintiff from biding her time strategically for years, all the while monitoring the defendant's progress in generating profits from its exploitation of the disputed work:

> [I]t is inequitable for the owner of a copyright, with full notice of an intended infringement, to stand inactive while the proposed infringer spends large sums of money in its exploitation, and to intervene only when his speculation has proved a success. Delay under such circumstances allows the owner to speculate without risk with the other's money; he cannot possibly lose, and he may win.

Haas v. Leo Feist, 234 F. at 105.

Without the safeguard of a laches defense, then, a rolling limitations period "would permit plaintiffs who know of the defendant's pattern of activity simply to wait, sleeping on their rights, as the pattern continues and . . . damages accumulate, perhaps bringing suit only long after the memories of witnesses have faded or evidence is lost . . . ." *Klehr v. A.O. Smith Corp.*, 521 U.S. 179, 187 (1997) (rejecting rule that civil RICO claim continues accruing until occurrence of last predicate act in

ongoing pattern of racketeering activity). In effect, the laches defense holds the plaintiff accountable for *allowing* the same ancient claim of copyright infringement to reaccrue repeatedly over a long period of time.

In sum, if the copyright defendant could not invoke the laches defense, the plaintiff in a case of continuous copyright infringement would be free to abuse the rolling limitations period without any judicial oversight. As this case shows, the plaintiff could allow the defendant to continue investing its capital in exploiting the disputed work for many years, and she could then sue for her share of the defendant's highest profits. At the same time, the plaintiff's strategically long delay will have impeded or even negated the defendant's ability to defend itself on a claim that first accrued long ago. Recognition of the laches defense in such cases is therefore necessary to fulfill the gatekeeping function of a statute of limitations: "to protect defendants against stale or unduly delayed claims." *Credit Suisse Sec. (USA) LLC v. Simmonds*, 132 S. Ct. 1414, 1420 (2012) (citation and internal quotation marks omitted).

CONCLUSION

For the reasons stated above, NELF respectfully requests that this Court affirm the judgment of the Ninth Circuit.

Respectfully submitted,

NEW ENGLAND LEGAL FOUNDATION

By its attorneys,

Benjamin G. Robbins
Counsel of Record
Martin J. Newhouse, President
New England Legal Foundation
150 Lincoln Street
Boston, Massachusetts 02111-2504
Telephone: (617) 695-3660
benrobbins@nelfonline.org

December 23, 2013

AMICUS CURIAE BRIEF

SUPREME COURT, U.S.
FILED
NOV 22 2013
OFFICE OF THE CLERK

No. 12-1315

In The Supreme Court Of The United States

PAULA PETRELLA,
Petitioner,

v.

METRO-GOLDWYN-MAYER, INC., et al.,
Respondents.

On Writ Of Certiorari To The U.S. Court Of Appeals For The Ninth Circuit

BRIEF OF *AMICUS CURIAE* RALPH OMAN, FORMER REGISTER OF COPYRIGHTS OF THE UNITED STATES IN SUPPORT OF PETITIONER

RALPH OMAN
PRAVEL PROFESSORIAL
LECTURER IN INTELLECTUAL
PROPERTY AND PATENT LAW
THE GEORGE WASHINGTON
UNIVERSITY LAW SCHOOL
2000 H Street, NW, E403
Washington, DC 20052
(202) 994-2122
roman@law.gwu.edu

PETER JASZI
Counsel of Record
GLUSHKO-SAMUELSON
INTELLECTUAL PROPERTY
LAW CLINIC
WASHINGTON COLLEGE OF
LAW
AMERICAN UNIVERSITY
4801 Massachusetts
Avenue, NW, Room 394
Washington, DC 20016
(202) 274-4216
pjaszi@wcl.american.edu

TABLE OF CONTENTS

Page

TABLE OF CONTENTS i
TABLE OF AUTHORITIES iii
STATEMENT OF INTEREST 1
SUMMARY OF ARGUMENT 4
ARGUMENT 8
A. APPLYING LACHES WOULD UNDERMINE THE IMPORTANT ROLE OF THE COPYRIGHT SYSTEM IN PROVIDING NOTICE, ENCOURAGING THE DEVELOPMENT OF A CULTURAL RECORD, AND FACILITATING COMMERCE 8
1. Registration Of Copyright Claims Serves A Notice Function 9
2. The Precedent Created By The Application Of Laches In This Case Would Discourage Voluntary Participation In The Registration System, Which Also Provides An Important Cultural Record And Helps Facilitate Commerce In Copyrighted Works 11
B. THE COPYRIGHT SYSTEM IS DESIGNED BY CONGRESS TO HELP SMALL RIGHTSHOLDERS MAINTAIN AND ENFORCE THEIR RIGHTS 15

1. By Simplifying Technical Requirements, The Policy Of "Deformalization" Has Made It Easier For Small Rightsholders To Retain Their Rights 17
2. Reforms To The Copyright System Have Consistently Favored The Retention Of Rights By Authors And Their Heirs, Allowing Them To Derive Full Value From The Works 21
3. By Providing A Statute Of Limitations, Congress Encourages Simplicity And Certainty In Enforcement, Making It Easier For Small Authors To Vindicate Their Rights 24

C. THE APPLICATION OF LACHES WOULD CREATE UNINTENDED HARM TO RIGHTSHOLDERS AND TO THE COPYRIGHT SYSTEM IN GENERAL 25

1. The Application Of Laches Would Encourage Rightsholders To Flood The Courts With Premature Infringement Claims Rather Than Risking The Loss Of Their Rights 26
2. The Application Of Laches Would Create Unintended Adverse Consequences And Generate Perverse Incentives Within The Copyright System 29

CONCLUSION 32

/

TABLE OF AUTHORITIES

Cases

ABB Inc. v. Cooper Indus., LLC, 635 F.3d 1345 (Fed. Cir. 2011) 28

Community for Creative Non-Violence v. Reid, 490 U.S. 730 (1989) 16

Cosmetic Ideas, Inc. v. IAC/InteractiveCorp, 606 F.3d 612 (9th Cir. 2010) 10

Danjaq LLC v. Sony Corp., 263 F.3d 942 (9th Cir. 2001) 28

Fogerty v. Fantasy, Inc., 510 U.S. 517 (1994) 30

Fred Fisher Music Co. v. M. Witmark & Sons, 318 U.S. 643 (1943) 22

Gabelli v. SEC, 133 S. Ct. 1216 (2013) 5

Horton v. Liberty Mut. Ins. Co., 367 U.S. 348 (1961) 26

Johnson v. Ry. Express Agency, Inc., 421 U.S. 454 (1975) 25

Krafft v. Cohen, 117 F.2d 579 (3d Cir. 1941) 18

Martin v. Consultants & Adm'rs, Inc., 966 F.2d 1078 (7th Cir. 1992) 25

Miller Music Corp v. Charles N. Daniels, Inc., 362 U.S. 373 (1960) 23

New York Times Co. v. Tasini, 533 U.S. 583 (2001) 17

Novelty Textile Mills, Inc. v. Joan Fabrics Corp., 558 F.2d 1090 (2d Cir. 1977) 9

Petrella v. Metro-Goldwyn-Mayer, Inc., 695 F.3d 946 (9th Cir. 2012) 6

Petrella v. Metro-Goldwyn-Mayer, Inc., No. CV 09-72-GW (MANx) (C.D. Cal. Feb. 3, 2010) 5

Piper Aircraft Corp. v. Wag-Aero, Inc., 741 F.2d 925 (7th Cir. 1984) 29

Shloss v. Sweeney, 515 F. Supp. 2d 1068 (N.D. Cal. 2007) 28

Snyder v. Harris, 394 U.S. 332 (1969) 26

Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417 (1984) 25

Stewart v. *Abend*, 495 U.S. 207 (1990) 4, 17, 23

United States v. Mack, 295 U.S. 480 (1935) 25

Waller v. Golden, 706 S.E.2d 403 (Ga. 2011) 28

Constitutional Provisions

U.S. Const. art. I, § 8, cl. 8 ..... 13, 15

Statutes

17 U.S.C. § 203 22

17 U.S.C. § 304(c) 4, 22

17 U.S.C. § 405(a) 18

17 U.S.C. § 410(c) 9

17 U.S.C. § 505 (2012) 15

17 U.S.C. § 507(b) 5, 8

28 U.S.C. § 1332(a) 26

28 U.S.C. § 2201 28

Copyright Act of 1909, Pub. L. 60-349, 35 Stat. 1075 (Mar. 4, 1909; repealed 1978) 9

Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541 (1976) 1

Copyright Amendments Act of 1992, Pub. L. No. 102-307, 106 Stat. 264 (1992) 10

Legislative Material

Copyright Law Revision: Hearing on H.R. 2223 Before the Subcomm. on Courts, Civil Liberties and the Admin. of Justice of the H. Comm on the Judiciary, 94th Cong. 106 (1975) 20

Copyrights — Statute of Limitations: Hearing on H.R. 781 Before the Subcomm. No. 3 of the H. Comm. on the Judiciary, 84th Cong. (1955) 27

H.R. Rep. No. 102-379 (1991) 20, 21

H.R. Rep. No. 94-1476 (1976) 18, 19, 20, 21

S. Rep No. 85-1014 (1957) 24

Shawn Bentley Orphan Works Act of 2008, S. 2913, 110th Cong. § 3(b)(1)(A) (2008) 13

Other Authorities

3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 12.05[B][1][b] (Matthew Bender, Rev. Ed. 2013) 27

Barbara Ringer et al., U.S. Copyright Office, Library of Congress, *Copyright Law Revision Study 7: Notice of Copyright* (Comm. Print 1960) 18

Barbara Ringer, U.S. Copyright Office, Library of Congress, *Copyright Law Revision Study 31: Renewal of Copyright* (Comm. Print 1961) 21, 22

Benjamin Kaplan, U.S. Copyright Office, Library of Congress, *Copyright Law Revision Study 17: Registration of Copyright* (Comm. Print 1960)..... 19

Jane Ginsburg, *The U.S. Experience With Mandatory Copyright Formalities: A Love/Hate Relationship*, 33 Colum. J.L. & Arts 311 (2010) 19

Joshua O. Mausner, *Copyright Orphan Works: A Multi-Pronged Solution to Solve a Harmful Market Inefficiency*, 55 J. Copyright Soc'y U.S.A. 517 (2008) 14

Libby Smigel & Elizabeth Jackson, Dance Heritage Coalition, *Comments of the Dance Heritage Coalition in Response to the Copyright Office's Notice of Inquiry Concerning Orphan Works* (2013) 14

Mark A. Lemley & R. Anthony Reese, *Reducing Digital Copyright Infringement Without Restricting Innovation*, 56 Stan. L. Rev. 1345 (2004) 31

Patricia Aufderheide & Peter Jaszi, *Reclaiming Fair Use* (2011) 30

Robert Wedgeworth & Barbara Ringer, Library of Congress, *Advisory Committee on Copyright Registration and Deposit: Report of the Co-Chairs* (1993) 27

Tim Wu, *Tolerated Use*, 31 Colum. J.L. & Arts 617 (2008) 16, 26

U.S. Copyright Office, Library of Congress, *Circular 1: Copyright Basics* (2012) 11

U.S. Copyright Office, Library of Congress, *Circular 15: Renewal of Copyright* (2006) 10

U.S. Copyright Office, Library of Congress, *Circular 1a: United States Copyright Office: A Brief Introduction and History* 12, 13

U.S. Copyright Office, Library of Congress, *Circular 23: The Copyright Card Catalog and the Online Files of the Copyright Office* (2012) 12

U.S. Copyright Office, Library of Congress, *Copyright Small Claims* (2013) 15

U.S. Copyright Office, Library of Congress, *Report on Orphan Works* (2006) 13, 14

STATEMENT OF INTEREST[1]

Amicus curiae Ralph Oman has dedicated his career to intellectual property law and is uniquely qualified to opine on the provisions of the Copyright Act of 1976,[2] due to the pivotal role that he has played throughout his career in setting and influencing copyright policy in the United States.

Mr. Oman was responsible for developing the procedures and practices of the United States Copyright Office ("Copyright Office") and implementing the statutory standards for copyright registration during his tenure as Register of Copyrights, the chief government official charged with administering national copyright law, from September 23, 1985 through January 8, 1994. Mr. Oman's work as Register of Copyrights included helping facilitate the United States becoming a party to the Berne Convention for the Protection of Literary and Artistic Works ("Berne Convention") in 1989, thereby achieving a goal of the United States that had not been realized in over one hundred years.

---

[1] No counsel for a party authored this brief in whole or in part, and no such counsel or party made a monetary contribution to the preparation or submission of the brief. Both parties have given blanket consent to the filing of *amicus* briefs.

[2] Pub. L. No. 94-553, 90 Stat. 2541 (1976) (codified at 17 U.S.C. §§ 101, *et seq.*).

Prior to his appointment as Register of Copyrights, Mr. Oman served in a number of other governmental positions where he was directly involved in the development and implementation of national and international copyright law. From 1975 through 1977, Mr. Oman served as Chief Minority Counsel on the Senate Committee on the Judiciary Subcommittee on Patents, Trademarks, and Copyrights, where he drafted language and helped negotiate compromises that resulted in the passage of the Copyright Act of 1976. Subsequently, from 1982 through 1985, Mr. Oman served as the Chief Counsel of the newly revived Subcommittee.

After his retirement from public service, Mr. Oman entered private practice, and was appointed the Pravel, Hewitt, Kimball and Kreiger Professorial Lecturer in Intellectual Property and Patent Law at The George Washington University Law School, where he currently teaches courses on copyright law. Mr. Oman has also remained actively involved in the intellectual property community in the United States and abroad, including serving as an expert witness on intellectual property law in judicial proceedings and serving as a guest lecturer on intellectual property issues.

As someone who was involved in the passage of the Copyright Act of 1976 and facilitated the United States becoming a party to the Berne Convention, Mr. Oman has a deeply vested interest in ensuring that the Court reaches a well grounded and reasoned decision in cases involving copyright law. Mr. Oman

has dedicated his career to copyright law and he wants to ensure that the provisions of the Copyright Act of 1976, particularly those that he was directly involved with in his capacity as Chief Minority Counsel and Register of Copyrights, are appropriately explained and contextualized for the purposes of this appeal.

Specifically, Mr. Oman is writing to provide the Court with information on the congressional intent behind the passage of the Copyright Act of 1976 as it pertains to the decision in this case. The copyright system was designed by Congress to ensure that copyright protection is afforded to all rightsholders in an equal manner, regardless of size or economic power. Application of laches would contravene this goal by creating unintended harm to some individuals, particularly small rightsholders, such as authors of literary works and their successors, whom Congress and the Copyright Office have actively worked to protect. Moreover, application of laches would frustrate the underlying goals of the copyright registration system, including providing notice, facilitating commerce, and encouraging the development of a cultural record.

Mr. Oman supports the view that the United States Supreme Court should reverse the decision of the United States Court of Appeals for the Ninth Circuit concerning the application of laches in this case and find in favor of Appellant Paula Petrella ("Ms. Petrella").

SUMMARY OF ARGUMENT

This case arose from a dispute that Ms. Petrella had with Respondents MGM and 20th Century Fox ("Studios") regarding infringement of her rights as a copyright holder by the continued reproduction and distribution of the critically acclaimed 1980 film *Raging Bull*, which she has alleged was based upon a 1963 screenplay ("Screenplay") written by her father and registered by him with the Copyright Office shortly thereafter. In 1991, a decade after her father's death, Ms. Petrella took the necessary and appropriate affirmative steps to secure a valid renewal copyright in the name of his statutory successors, pursuant to 17 U.S.C. § 304(c). Therefore, in accordance with *Stewart* v. *Abend*,[3] his renewal interest in the Screenplay copyright passed to his successors as a "new estate," free and clear of any claim founded on an assignment made by Ms. Petrella's father during his lifetime. Ms. Petrella subsequently became the sole owner of this renewal interest as a result of her mother's death and her brother's assignment to her of his rights. Accordingly, Ms. Petrella now asserts that continued exploitation of the film without her consent infringes her rights in the Screenplay.

From time to time, since the copyright in the Screenplay was renewed in 1991, *Raging Bull* has been offered to the public in a variety of new formats. Starting in 1998, Ms. Petrella initiated a

---

[3] 495 U.S. 207 (1990).

series of exchanges of letters with the Studios, which ultimately failed to resolve her objections to their continued exploitation of the film. In 2009, she brought suit in the United States District Court for the Central District of California for copyright infringements that had occurred in the three years prior to her filing suit, invoking the so-called "separate accrual rule" with respect to the three-year statute of limitations stipulated in the Copyright Act of 1976.[4] Under this rule, for example, Ms. Petrella would have been entitled to claim damages with respect to the 2007 *Raging Bull* Special Edition Two-Disc DVD "Sports Gift Set," as well as the Blu-Ray release of the film that commenced in 2009. However, the District Court held that, although Ms. Petrella's suit was timely under the statute of limitations, the entire suit was barred based on the non-statutory equitable defense of laches.[5] The District Court noted that Ms. Petrella's claims would have survived the motion for summary judgment were it not for the application of laches.[6]

The Ninth Circuit Court of Appeals affirmed the District Court's ruling. Ninth Circuit precedent dictates that three elements must be met to trigger

---

[4] 17 U.S.C. § 507(b) (2012); *see e.g.*, *Gabelli v. SEC*, 133 S. Ct. 1216, 1220 (2013) (*quoting Wallace v. Kato*, 549 U.S. 384, 388, (2007) ("the standard rule that [accrual occurs] when the plaintiff has 'a complete and present cause of action.'")).

[5] *Petrella v. Metro-Goldwyn-Mayer, Inc.*, No. CV 09-72-GW (MANx), *8 (C.D. Cal. Feb. 3, 2010).

[6] *Id.* at *5.

the non-statutory defense of laches: (1) delay; (2) unreasonable delay; and (3) prejudice, either evidentiary or expectation-based.[7] The Ninth Circuit Court of Appeals concluded that Ms. Petrella's delay in bringing the suit was unreasonable because she waited until she determined "whether the infringing conduct [would] be profitable."[8] The Ninth Circuit Court of Appeals based its finding of prejudice solely on the money expended on marketing, promotion, and distribution of the film during the period of delay in bringing the suit.[9]

This case is the first occasion on which this Court will consider whether laches is available to bar a copyright infringement suit when the suit is timely under the Copyright Act of 1976's three-year statute of limitations.

Amicus is concerned that the flawed reasoning and incorrect holding of the Ninth Circuit Court of Appeals will have implications for copyright law that go far beyond this case, and that will undermine the intent of Congress when passing the Copyright Act of 1976, and disturb the proper functioning of the copyright system.

The decision below places an inappropriate burden on copyright owners attempting to enforce

---

[7] *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 695 F.3d 946, 952 (9th Cir. 2012).

[8] *Id.*

[9] *Id.* at 953-56.

their statutory rights. Applying laches where a clearly defined statutory period of limitations exists, such as with the three-year statute of limitations set forth in the Copyright Act of 1976, contravenes the intent of Congress and unduly penalizes copyright owners, particularly small rightsholders, who have complied with all of the statutory requirements. Furthermore, applying laches in this situation will frustrate the intended benefits to society at large that Congress envisioned when it enacted the Copyright Act of 1976.

Reforms to the copyright law that have taken place in the last century underscore the intent of Congress and the Copyright Office in ensuring that the benefits of copyright protection flow equally to all rightsholders, regardless of size. The application of laches would contravene this objective by prejudicing authors, their individual successors, and other small rightsholders. Similarly, the application of laches would run contrary to the copyright system's long-standing policy of granting rightsholders broad discretion regarding enforcement of their rights. Indeed, the application of laches would create a situation where courts were flooded with claims by rightsholders who feared losing their rights if they did not bring suit. Furthermore, the application of laches would create perverse incentives, prejudicing small rightsholders while potentially encouraging infringement by large entities who could use copyrighted material of small rightsholders who did not have means to bring suit, thereby effectively divesting them of their rights in that material.

ARGUMENT

A. APPLYING LACHES WOULD UNDERMINE THE IMPORTANT ROLE OF THE COPYRIGHT SYSTEM IN PROVIDING NOTICE, ENCOURAGING THE DEVELOPMENT OF A CULTURAL RECORD, AND FACILITATING COMMERCE

The architecture of the Copyright Act reflects a series of important congressional choices about how to reward and promote individual creativity. As has been noted, both Ms. Petrella and her father, author of the Screenplay, complied fully with the requirements that the Copyright Act imposed for perfecting and retaining rights in a work of authorship — he by registering his work in 1963, and she by renewing the copyright in 1991. Likewise, Ms. Petrella, after attempting to achieve an out-of-court resolution with the Studios, eventually brought suit in full compliance with the three-year statute of limitations that has been a part of the federal copyright law since 1957.[10] However, the Studios now seek, in essence, to employ the non-statutory defense of laches to deprive Ms. Petrella of the benefits that should accrue as a result of her family's strict compliance with these statutory provisions.[11]

---

[10] 17 U.S.C. § 507(b) (2012).

[11] *Id.*

In effect, the Studios appear to assert that, despite full compliance by both Ms. Petrella and her father with the features of the copyright system specifically designed to provide, among other things, public notice of outstanding claims of copyright ownership, she should now be severely penalized for not doing more to publicize these claims. The endorsement of this position by the Ninth Circuit Court of Appeals threatens to undermine both the will of Congress and the proper functioning of the copyright system.

1. Registration Of Copyright Claims Serves A Notice Function

Under the provisions of the 1909 Act that controlled when Mr. Petrella registered his copyright claim in the Screenplay, registration was not required but strongly encouraged, and the same remains true today.[12] Among the incentives was — and is — the fact that a certificate can be offered in court as prima facie evidence of the validity of the copyright and the accuracy of the facts stated therein.[13] In 1991, when Ms. Petrella registered her claim to renewal, this additional affirmative step was a prerequisite for receiving protection beyond

---

[12] Copyright Act of 1909, Pub. L. 60-349, 35 Stat. 1075 (Mar. 4, 1909; repealed 1978).

[13] *See* 17 U.S.C. § 410(c) (2012); *Novelty Textile Mills, Inc. v. Joan Fabrics Corp.*, 558 F.2d 1090, 1092 n.1 (2d Cir. 1977) (certificate given same effect under Copyright Act of 1909).

the initial 28-year copyright term. It is noteworthy that, when effective in 1992, the option of relying on automatic copyright renewal was introduced in legislation. Congress instituted strong incentives to encourage those with valuable rights to continue making affirmative renewal filings. Among those incentives is the ability to establish the renewal copyright in the name of the renewal claimant.[14] Additionally, the renewal claimant's right to control the use of pre-existing derivative works in the extended term turns on there having been an affirmative renewal.[15]

The registration of copyright claims continues to promote an important public purpose. It creates a public record of the information contained in a copyright.[16] Today, for example, a copyright owner of a work can register the work by submitting a completed copyright application form, registration fee, and two copies of the work to the Copyright Office. The registration of claims for renewal in pre-1978 works had a similar purpose and, for that reason, were strongly encouraged and incentivized.

---

[14] Copyright Amendments Act of 1992, Pub. L. No. 102-307, 106 Stat. 264 (1992).

[15] *Id. See also* U.S. Copyright Office, Library of Congress, *Circular 15: Renewal of Copyright* 2 (2006) [hereinafter *Circular 15*], *available at* http://www.copyright.gov/circs/circ15.pdf.

[16] *Cosmetic Ideas, Inc. v. IAC/InteractiveCorp*, 606 F.3d 612, 621 (9th Cir. 2010) ("central purpose" of registration requirement is "the compilation of a robust national register of existing copyrights").

Likewise, by continuing to provide incentives for voluntary affirmative renewal, Congress continued to recognize the value of that public record even when it introduced "automatic" renewal in 1992.

Copyright registration can function as a notice to inform the public that a work is protected by copyright law, and that one (or several) claimants assert a right in it.[17] The Ninth Circuit Court of Appeals' endorsement of the Studios' assertion of laches in this case is particularly ill-conceived given that the Petrellas' studious compliance with the very mechanisms that Congress designed to encourage the creation of an accurate public record of copyright information and to provide a clear public notice regarding the existence of outstanding copyright claims.

2. The Precedent Created By The Application Of Laches In This Case Would Discourage Voluntary Participation In The Registration System, Which Also Provides An Important Cultural Record And Helps Facilitate Commerce In Copyrighted Works

The system of copyright registration is important not only because it provides public notice of

---

[17] U.S. Copyright Office, Library of Congress, *Circular 1: Copyright Basics* 4 (2012) [hereinafter *Circular 1*], *available at* http://www.copyright.gov/circs/circ01.pdf.

copyright claims, but because it serves other important functions as well. Thus, applying laches where a copyright claimant is engaged in timely registration of initial term and renewal claims would discourage voluntary participation in the contemporary registration system, which is instrumental in encouraging the development of a cultural and historical record.

The copyright card catalog contains approximately 45 million individual entries.[18] A significant portion of the "literary, musical, artistic, and scientific production"[19] of the United States is documented in these files, which includes, but is not limited to, registrations of initial term and renewal claims. These archive files are an extremely important resource for legal scholars and cultural historians, and are a unique adjunct to the main catalog of the Library of Congress. Together, they create a holistic record of cultural production in the United States and serve as an immensely valuable research tool. In particular, registration provides representative documentation of what people create and publish — and of when they do so. Tools provided by the Copyright Office provide researchers

---

[18] U.S. Copyright Office, Library of Congress, *Circular 1a: United States Copyright Office: A Brief Introduction and History* [hereinafter *Circular 1a*], *available at* http://www.copyright.gov/circs/circ1a.html.

[19] U.S. Copyright Office, Library of Congress, *Circular 23: The Copyright Card Catalog and the Online Files of the Copyright Office* 1 (2012) [hereinafter *Circular 23*], *available at* http://www.copyright.gov/circs/circ23.pdf.

with "access to all information of the record relating to registrations, deposits, recorded assignments, and other documents."[20] In addition, many deposit copies submitted in conjunction with copyright registration are either retained by the Copyright Office or find their way into the main collection of the Library of Congress, further strengthening the cultural record and the public's access to it.

The archive of documentation over which the Copyright Office presides is critical to maintaining an accurate and representative record of American cultural production. Congress recognized that the records maintained in connection with claims of copyright directly "promote the Progress of Science and useful Arts,"[21] and, to further that end, retained strong incentives to registration in the law.[22]

Additionally, copyright registration helps to facilitate commerce. If works are not registered, potential users of these works may be discouraged from using them for fear of being sued by an unknown or unascertainable copyright owner.[23] Works whose authors are unknown are sometimes referred to as orphan works.[24] There are many works

---

[20] *Circular 1a*, *supra* note 18.

[21] U.S. Const. art. I, § 8, cl. 8.

[22] *See supra*, Part A.I.

[23] Shawn Bentley Orphan Works Act of 2008, S. 2913, 110th Cong. § 3(b)(1)(A) (2008).

[24] U.S. Copyright Office, Library of Congress, *Report on Orphan Works* 1 (2006), *available at* http://www.copyright.gov/orphan/orphan-report.pdf.

that go unused because filmmakers, libraries, archives, museums, and publishers are afraid of being sued.[25] Promoting copyright registration can reduce such market failures by making information about copyright claims and their ownership easier to ascertain.[26]

At a time of rising concern about the absence of reliable records of copyright ownership, it would be counterproductive to endorse a rule that fails to recognize and reward an author's compliance with registration formalities. Congress has consistently maintained strong support for the copyright registration system, and the courts should not undermine that policy by applying a laches bar to a rightsholder who (like her predecessor-in-interest) carefully complied with all the rules of the registration system.

---

[25] *Id.*

[26] Joshua O. Mausner, *Copyright Orphan Works: A Multi-Pronged Solution to Solve a Harmful Market Inefficiency*, 55 J. Copyright Soc'y U.S.A. 517, 521-23 (2008); Libby Smigel & Elizabeth Jackson, Dance Heritage Coalition, *Comments of the Dance Heritage Coalition in Response to the Copyright Office's Notice of Inquiry Concerning Orphan Works* 13 (2013), *available at* http://www.copyright.gov/orphan/comments/noi_10222012/Dance-Heritage.pdf.

B. THE COPYRIGHT SYSTEM IS DESIGNED BY CONGRESS TO HELP SMALL RIGHTSHOLDERS MAINTAIN AND ENFORCE THEIR RIGHTS

"Authors" are the designated beneficiaries of the copyright legislation authorized by the Copyright Clause of the Constitution.[27] However, in practice, small rightsholders — i.e., individual authors and their successors — face many structural barriers to effective enforcement of their rights. Copyright litigation in federal court can be expensive and time-consuming, and, even where awards of statutory damages may be available, the amount is never guaranteed; the prospect of attorney's fees awards remains within the discretion of the courts.[28] Rightsholders considering legal action may find it difficult to obtain competent counsel — which may become even more difficult with the added uncertainty of laches — to retain experts, or to engage fully in pre-trial discovery.[29] Many technical violations of copyright law may not be worth a rightsholder's while to pursue through litigation, at least until they ripen into infringements of real economic significance. Thus, it is essential that the copyright system allow rightsholders significant and

---

[27] U.S. Const. art. I, § 8, cl. 8.

[28] 17 U.S.C. § 505 (2012).

[29] U.S. Copyright Office, Library of Congress, *Copyright Small Claims* 1-2 (2013), *available at* http://www.copyright.gov/docs/smallclaims/usco-smallcopyrightclaims.pdf.

meaningful discretion over when to make the large investment of money and time that litigation demands.[30]

Over the course of the past century, Congress has made incremental changes in the law to benefit the author and reduce the chances that the author will lose copyright protection because of a failure to comply with a formal legal requirement – known as a formality. This objective is also embodied in two other reforms designed to relieve rightsholders of other burdensome or confusing obligations, and to improve their position in the marketplace: (1) the reform favoring reversion of rights to authors and their successors (including the reform of copyright renewal and the substitution of the "termination of transfer" mechanism); and (2) the institution of a uniform statute of limitations to ensure certainty in enforcement actions.

The courts have shared this objective. Many of the decisions of this Court in the past half-century have protected the rights of the individual author, including (in recent years) *Community for Creative Non-Violence v. Reid*[31] and *New York Times Co. v.*

---

[30] Tim Wu, *Tolerated Use*, 31 Colum. J.L. & Arts 617, 619 (2008) (noting that there is a growing number of infringements in the digital age that authors do not pursue for reasons such as the high cost of litigation).

[31] 490 U.S. 730 (1989) (holding that the organizations should only hold copyright under the "work for hire" doctrine if strict statutory requirements are met).

Tasini.[32] No better example is available than this Court's decision in *Stewart v. Abend*,[33] on which Ms. Petrella relies for her claim against the Studios, and which is premised in part on the importance of protecting the rights of individual successors to renewal copyright ownership. However, in the face of a century of copyright reform designed to relieve small rightsholders from the risks associated with various "traps for the unwary," the Ninth Circuit has laid down a new trap in the form of the non-statutory doctrine of laches.

1. By Simplifying Technical Requirements, The Policy Of "Deformalization" Has Made It Easier For Small Rightsholders To Retain Their Rights

Over time, small copyright owners, especially individual authors and their families, have faced many barriers to the meaningful enforcement of their rights, and Congress has consistently shown solicitude toward their plight. For example, mandatory formalities such as notice and registration, as well as renewal, were a feature of the United States copyright system from its inception, and they frequently have served to deprive

---

[32] 533 U.S. 583 (2001) (holding that newspapers may not authorize the reproduction of articles by freelance contributors in electronic compilations without explicit authorial consent).

[33] *Stewart*, 495 U.S. 207.

individual authors of their rights because of technical noncompliance.

The requirement of copyright notice is the paradigmatic example. Under the Copyright Act of 1909, copyright protection could be lost even if a single copy were published with an improper or defective notice.[34] The copyright revision studies undertaken in preparation for the Copyright Act of 1976 acknowledged the magnitude of this problem, stating that "an author is not a businessman and is not equipped to deal with complex formalities."[35] This reasoning was explicitly cited in the legislative history of the Copyright Act of 1976 as one of the strongest justifications for reform, referring to the forfeitures as "arbitrary and unjust" and "resulting from unintentional or relatively unimportant omissions."[36] The system that emerged from this reform was significantly more lenient, allowing for authors to maintain their rights if the work was registered and the errors or omissions cured within five years of publication.[37] This system has the dual effect of enabling more authors to maintain their

---

[34] *See, e.g.*, *Krafft v. Cohen*, 117 F.2d 579 (3d Cir. 1941) (holding that a notice placed on the back page of a brochure is defective and divests copyright).

[35] Barbara Ringer et al., U.S. Copyright Office, Library of Congress, *Copyright Law Revision Study 7: Notice of Copyright* 46 (Comm. Print 1960).

[36] H.R. Rep. No. 94-1476, at 143 (1976).

[37] 17 U.S.C. § 405(a) (2012).

rights while incentivizing the use of the copyright registry, a central goal discussed above.[38]

Registration itself used to be a significantly more onerous formality than it is today. Prior to the Copyright Act of 1909, failure to register one's copyright with the relevant authority before publication meant a complete loss of rights. Under the 1909 Act, however, registration was downgraded to a mere prerequisite to filing an infringement suit, largely due to the dissatisfaction of then-Register of Copyrights Thorvald Solberg with a system that punished non-compliance with "trifling obligations" by the loss of substantial rights.[39] The permissive system of registration established under the 1909 Act persists today, though Congress has established more inducements to registration in order to obtain the positive benefits of registration without the loss of substantial rights decried by Mr. Solberg.[40]

In the course of considering the legislation that became the Copyright Act of 1976, Congress also identified the problems posed authors and their families by the requirement of timely application as a prerequisite to securing a renewal term of

---

[38] *Supra* Part A.

[39] Benjamin Kaplan, U.S. Copyright Office, Library of Congress, *Copyright Law Revision Study 17: Registration of Copyright* 15 (Comm. Print 1960).

[40] H.R. Rep. No. 94-1476, at 158; Jane Ginsburg, *The U.S. Experience With Mandatory Copyright Formalities: A Love/Hate Relationship*, 33 Colum. J.L. & Arts 311, 331 (2010).

copyright, noting, among other things, that renewal was so burdensome, technical, and complicated that it served to unjustly deprive authors of their copyrights without conferring a significant benefit to the public.[41] Although renewal was removed with the 1976 Act with respect to works created after January 1, 1978 — a change that, according to then-Register of Copyrights Barbara Ringer, was "the foundation of the entire Act" — it was retained for works published before that date.[42]

This policy towards lessening the burdens that renewal imposed on authors was again furthered by the 1992 Copyright Renewal Act, which made renewal of copyright automatic for those works still subsisting in the first term of copyright protection at the time of its enactment. Knowing that many authors and heirs were ignorant of the renewal requirement obligations and, as a consequence, lost significant sources of income, Congress made renewal automatic.[43] With Ms. Ringer, *amicus* as Register worked with Congress to get this pro-author measure enacted. Indeed, the House Report on the

---

[41] H.R. Rep. No. 94-1476, at 134-35.

[42] *Id.* at 133; *see also Copyright Law Revision: Hearing on H.R. 2223 Before the Subcomm. on Courts, Civil Liberties and the Admin. of Justice of the H. Comm on the Judiciary*, 94th Cong. 106 (1975) (statement of Barbara Ringer, Register of Copyrights, U.S. Copyright Office) (stating that the copyright system under the Copyright Act of 1909 treated authors very "shabbily," and that as creators of works of economic value, authors should be better protected under the revised law).

[43] H.R. Rep. No. 102-379, pt. 1, at 10 (1991).

bill cited a Copyright Office study showing that the average renewal rate of eligible works for the three years prior to the amendment was less than 20 percent.[44]

2. Reforms To The Copyright System Have Consistently Favored The Retention Of Rights By Authors And Their Heirs, Allowing Them To Derive Full Value From The Works

One reason cited for switching from a shorter, renewal-based copyright term to a longer, unitary copyright term was that it would allow authors and their families to derive more value from their works.[45] Additionally, the 1976 Act provided for retention of valuable rights by small rightsholders through codifying the principle that the bundle of rights comprising copyright was inherently divisible, permitting authors to assign away some rights while retaining others.[46] Congress recognized, however, that all grants of rights are potentially disadvantageous for authors, who lacked foresight or bargaining power when such agreements were negotiated.[47] Thus, the ability of authors to

---

[44] *Id.*

[45] H.R. Rep. No. 94-1476, at 134.

[46] *Id.* at 123.

[47] Barbara Ringer, U.S. Copyright Office, Library of Congress, *Copyright Law Revision Study 31: Renewal of Copyright* 189 (Comm. Print 1961) (noting that the opportunity for renewal is indeed beneficial to some authors and their

(Continued on Following Page)

recapture previously alienated rights was also a priority of Congress in passing the 1976 Act. In providing for new termination rights,[48] Congress cited the need to protect authors against "unremunerative transfers," reasoning that because authors cannot know the value of their works before they are exposed to the marketplace, the law should provide them and their heirs a second bite at the apple.[49]

For grants or licenses executed during the initial term of copyright in pre-1978 works, this Court had long interpreted explicit prospective grants of rights in renewal terms as being valid if the author was alive at the time of renewal.[50] This policy was in some respects less solicitous of authors' interests than the one that informed the termination of transfer provisions enacted by Congress in 1976.[51] However, when an author died before the expiration of the first copyright term, the opportunity to renew passed to the author's statutory successor, who then has the right to assign the interest in that renewal

---

families, but is a remarkably inefficient and burdensome means of doing so).

[48] 17 U.S.C. §§ 203, 304(c) (2012).

[49] Ringer, *supra* note 47, at 124.

[50] *Fred Fisher Music Co. v. M. Witmark & Sons*, 318 U.S. 643 (1943) (holding that an assignment of relating to the renewal term is binding even if made before the author has secured the renewal term).

[51] *See generally* 17 U.S.C. § 203 (2012).

term as he or she saw fit.[52] In other words, the protective policy of the statute, as interpreted by this Court, operated even more to the benefit of small authors' heirs and other survivors than it did to that of authors themselves.

A question then arose as to whether or not this policy would cut off unlicensed exploitation of derivative works prepared under pre-renewal grants, even when the renewal was claimed by a statutory successor, especially in light of the fact that Congress has provided for an exception in such circumstances in the 1976 legislation. This Court definitively resolved this question in *Stewart v. Abend*, holding that statutory successors possessing a renewal interest *were* entitled to object to the further use of such derivative works in the aftermath of renewal.[53] In so holding, this Court affirmed the nature of renewal as a new estate intended to benefit the author and their successors and stated that "[a]bsent an explicit statement of congressional intent . . . it is not our role to alter the delicate balance Congress has labored to achieve."[54]

---

[52] *Miller Music Corp v. Charles N. Daniels, Inc.*, 362 U.S. 373 (1960) (holding that an assignment of renewal interests by an author who predeceased the vesting of the renewal term was not binding on statutory successors).

[53] *Stewart*, 495 U.S. at 235-36.

[54] *Id.* at 230.

3. By Providing A Statute Of Limitations, Congress Encourages Simplicity And Certainty In Enforcement, Making It Easier For Small Authors To Vindicate Their Rights

Section 507(b) of the Copyright Act, the application of which is involved in the present case, was carried over from previous legislation in 1957 when Congress amended Title 17 to include a three-year statute of limitations on civil copyright claims. Prior to this, federal courts derived principles for the limitation of actions from the laws of the various states, which were wildly divergent, ranging from one year in Alabama to eight years in Wyoming.[55] In passing the 1957 amendment, Congress was primarily focused on limiting forum shopping to prevent sophisticated litigants familiar with the court system from asserting an unfair advantage over smaller, less sophisticated parties.[56] Congress also cited the general increase in certainty that would result from a uniform federal statute of limitations in copyright cases.[57] Implicit in this legislative action was the recognition that a complex and unpredictable system of limitations would hurt small litigants, and that their otherwise valid claims would be lost as a result.

---

[55] S. Rep No. 85-1014, at 2 (1957).

[56] *Id.* at 4 (reprinting a letter from the Librarian of Congress, L. Quincy Mumford).

[57] *Id.*

In light of these concerns, it is ironic that the Ninth Circuit has reintroduced into the domain of limitations on civil actions for copyright infringement precisely the sort of indeterminacy that plagued the system prior to the congressional action of 1957.

C. THE APPLICATION OF LACHES WOULD CREATE UNINTENDED HARM TO RIGHTSHOLDERS AND TO THE COPYRIGHT SYSTEM IN GENERAL

Courts generally have been hesitant to apply laches where a plaintiff has sued within the time period expressly provided by the applicable statute of limitations.[58] Indeed, this Court has explicitly held that statutes of limitations are congressional value judgments concerning the point at which the "interests in favor of protecting valid claims are outweighed by the interests in prohibiting the prosecution of stale ones."[59] For this Court to hold now that laches can be applied in the context of otherwise timely copyright infringement litigation would upset the balance in favor of users and

---

[58] *See United States v. Mack*, 295 U.S. 480, 489 (1935); *Martin v. Consultants & Adm'rs, Inc.*, 966 F.2d 1078, 1090 (7th Cir. 1992).

[59] *Johnson v. Ry. Express Agency, Inc.*, 421 U.S. 454, 463-64 (1975); *see also Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984) ("[I]t is Congress that has been assigned the task of defining the scope of the limited monopoly that should be granted to authors . . . .").

infringers in ways that Congress did not intend. This would significantly undermine the general policy that allows copyright owners significant discretion about whether, when, how, and against whom to enforce their claims, assuming compliance with the three-year statute of limitations with respect to the enforcement of claims. The potential consequences would be far-reaching and severe.

1. The Application Of Laches Would Encourage Rightsholders To Flood The Courts With Premature Infringement Claims Rather Than Risking The Loss Of Their Rights

In general, the federal system favors the efficient use of judicial resources and disfavors the litigation of trivial matters.[60] While all rightsholders have the right to bring suit for all infringements of their works, they often tolerate some infringements because bringing a case would cost more than they could recover.[61] The Library of Congress's Advisory Committee on Copyright Registration and Deposit acknowledged that, "[t]hough only a small percent of

---

[60] This court has routinely upheld this proposition in the context of the amount in controversy requirement for diversity jurisdiction. *See generally* 28 U.S.C. § 1332(a) (2012); *Snyder v. Harris*, 394 U.S. 332, 339-40 (1969); *Horton v. Liberty Mut. Ins. Co.*, 367 U.S. 348, 350-51 (1961).

[61] Tim Wu, *supra* note 30, at 619.

registrations end up in court, they are the most important cases."[62]

The facts of this case demonstrate poignantly why rational small rightsholders sometimes may delay commencing infringement lawsuits, even though the result may be to forfeit some otherwise potentially available damages. In this era of rapid technological change, when new modes and media for the exploitation of existing content are constantly being developed, and sophisticated marketing enables rightsholders to resell the same content in different packages over time, copyright owners with limited resources must sometimes bide their time until it becomes apparent whether a new form of commercialization is substantial enough to justify a significant investment in litigation. The three-year statute of limitations, buttressed by the "separate accrual" rule, makes this sort of discretionary decision-making possible, as Congress intended.[63] If

---

[62] Robert Wedgeworth & Barbara Ringer, Library of Congress, *Advisory Committee on Copyright Registration and Deposit: Report of the Co-Chairs* 16 (1993).

[63] *See generally* 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 12.05[B][1][b] (Matthew Bender, Rev. Ed. 2013); *see also Copyrights — Statute of Limitations: Hearing on H.R. 781 Before the Subcomm. No. 3 of the H. Comm. on the Judiciary*, 84th Cong. 48 (1955) (testimony of Fulton Brylawski) ("Every performance of every moving picture is a separate infringement — if they occurred three years ago. That would be barred in three years. But, the next time they showed it a new infringement would occur which would be actionable.").

the Court were to apply laches, it would take this discretion away. Rightsholders would effectively sacrifice their rights against a particular infringer if they did not file suit immediately.[64]

The Ninth Circuit's application of the principle of laches creates a cruel Hobson's Choice for small copyright owners — either commit to litigation before a economic justification to do so is clear, or risk losing all future rights. It is no answer to suggest that a rightsholder could avoid the application of laches by threatening litigation in the knowledge that, if challenged, they would not be required to proceed: first, such threats are unlikely to be effective, as a practical matter, unless backed up by a genuine willingness to sue;[65] and, second, meaningful threats of litigation may prompt users to force litigation by relying on the Declaratory Judgment Act.[66] Moreover, because laches is a

---

[64] *Danjaq LLC v. Sony Corp.*, 263 F.3d 942, 953 (9th Cir. 2001) ("[l]aches is based on the plaintiff's delay in beginning litigation, not on the information a defendant has regarding a claim.").

[65] "A mere objection of protest, or a mere threat to take legal proceedings, is not sufficient to exclude the consequences of laches or acquiescence." *Waller v. Golden*, 706 S.E.2d 403, 406 (Ga. 2011) (quoting *Holt v. Parsons*, 45 S.E. 690, 692 (1903)).

[66] 28 U.S.C. § 2201 (2006). *See also ABB Inc. v. Cooper Indus., LLC*, 635 F.3d 1345, 1348 (Fed. Cir. 2011); *Shloss v. Sweeney*, 515 F. Supp. 2d 1068, 1076-77 (N.D. Cal. 2007) (citation omitted) ("an 'actual threat of litigation' by the putative rights-holder is not necessary for a case or controversy to exist").

situational equitable doctrine, no rightsholder could ever be sure in advance what level of contact with a user might be sufficient to dispel the shadow of laches; they could be sure only that, at least in the Ninth Circuit, Ms. Petrella's efforts to negotiate with the Studios were not deemed sufficient for that purposes.

Thus, if the Ninth's Circuit's rule were to stand, and laches were to be made generally applicable in copyright disputes despite the existence of an express statute of limitations, the inevitable result would be to encourage rightsholders to file infringement actions as soon as they became aware of any party engaged in arguably infringing conduct. This would open the floodgates to lawsuits that otherwise would not have been brought, and encourage an upsurge in so-called "junk litigation." This result, in turn, would be contrary to the general and salutary preference for extrajudicial dispute resolution.[67]

2. The Application Of Laches Would Create Unintended Adverse Consequences And Generate Perverse Incentives Within The Copyright System

Applying a "use it or lose it" principle to copyright would have other damaging consequences for the

---

[67] *Piper Aircraft Corp. v. Wag-Aero, Inc.*, 741 F.2d 925, 932 (7th Cir. 1984).

copyright system. Thus, for example, it seems likely that, in an environment where rightsholders, corporations as well as individual authors, would risk giving up claims altogether by tolerating unauthorized uses of material in which they claim rights, more copyright owners would be motivated to move against good-faith users who are engaged in arguably infringing uses, but potentially privileged unauthorized uses, such fair use. This, in turn, could produce disincentives to engage in such socially productive uses in the first instance.[68] Such an outcome would be unfortunate in light of the general policies of copyright law, as this Court has articulated them: "[b]ecause copyright law ultimately serves the purpose of enriching the general public through access to creative works, it is peculiarly important that the boundaries of copyright law be demarcated as clearly as possible."[69]

As noted above, one consequence of the Ninth's Circuit's rule would be to encourage unnecessary litigation and, with it, the use of the scarce resources of individual authors and their families.[70] That said, this class of rightsholders will never have the necessary resources to pursue every possible claim. Even as copyright law stands today, without the injection of the doctrine of laches as an overlay on

---

[68] *See, e.g.*, Patricia Aufderheide & Peter Jaszi, *Reclaiming Fair Use* 94-98 (2011) (explaining how documentary filmmakers experienced chilling effects with respect to fair use).

[69] *See Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 527 (1994).

[70] *Supra* Part C.1.

the statute of limitations, many small rightsholders struggle to police infringements adequately. [71] Inevitably, the superimposition of laches would place an additional burden on rightsholders, who would have to struggle to prove that defendants were not unduly prejudiced by whatever enforcement delays may have occurred in the normal course.

Under such circumstances, it could be anticipated that bad actors aware of the high costs and burdens involved in this sort of litigation, would be encouraged to risk infringing the works of small independent creators. They would hope to take advantage of these rightsholders' limited knowledge and resources, and to rely further on the shield that a laches defense would afford if and when litigation ensued, along with the difficulties that rebutting the defense would pose for litigants of limited means. For rightsholders thus burdened, the protections afforded by the Copyright Act would become effectively meaningless.

---

[71] Mark A. Lemley & R. Anthony Reese, *Reducing Digital Copyright Infringement Without Restricting Innovation*, 56 Stan. L. Rev. 1345, 1376-77 (2004) (noting that policing all instances of copyright infringement in the digital age could bankrupt even corporate rightsholders).

CONCLUSION

For the foregoing reasons, the judgment of the Court of Appeals should be reversed.

Respectfully submitted,

RALPH OMAN
PRAVEL PROFESSORIAL
LECTURER IN INTELLECTUAL
PROPERTY AND PATENT LAW
THE GEORGE WASHINGTON
UNIVERSITY LAW SCHOOL
2000 H Street, NW, E403
Washington, DC 20052
(202) 994-2122
roman@law.gwu.edu

November 22, 2013

PETER JASZI
Counsel of Record
GLUSHKO-SAMUELSON
INTELLECTUAL PROPERTY
LAW CLINIC
WASHINGTON COLLEGE OF
LAW
AMERICAN UNIVERSITY
4801 Massachusetts
Avenue, NW, Room 394
Washington, DC 20016
(202) 274-4216
pjaszi@wcl.american.edu

AMICUS CURIAE BRIEF

Supreme Court, U.S.
FILED
NOV 20 2013
OFFICE OF THE CLERK

No. 12-1315

In The Supreme Court of the United States

PAULA PETRELLA, PETITIONER,

v.

METRO-GOLDWYN-MAYER, INC., ET AL., RESPONDENTS.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

BRIEF OF SOUTHWESTERN LAW STUDENTS ORLY RAVID AND ANDREW PRUITT AND PROFESSORS ROBERT C. LIND AND MICHAEL M. EPSTEIN IN ASSOCIATION WITH THE AMICUS PROJECT AT SOUTHWESTERN LAW SCHOOL AS *AMICI CURIAE* IN SUPPORT OF PETITIONER

ROBERT C. LIND
Counsel of Record
MICHAEL M. EPSTEIN
AMICUS PROJECT AT SOUTHWESTERN LAW SCHOOL
3050 WILSHIRE BLVD.
LOS ANGELES, CA 90010
(213) 738-6774
amicusproject@swlaw.edu

TABLE OF CONTENTS

TABLE OF AUTHORITIES ..... iv.

INTEREST OF THE *AMICI CURIAE* 1

SUMMARY OF THE ARGUMENT 2

ARGUMENT 6

I. THE HISTORY OF LACHES AND ITS INITIAL APPLICATION TO COPYRIGHT INFRINGEMENT ACTIONS 6

II. CONGRESS INTENDED THE COPYRIGHT ACT'S STATUTE OF LIMITATIONS TO BE UNIFORMLY APPLIED 11

A. Congress clearly intended for its federal law to apply uniformly and to abrogate the previously applied state law statutes of limitation to copyright claims 11

B. Congress made clear that equitable defenses may only restrict remedies, not affect rights 15

III. A SPLIT AMONG THE CIRCUIT COURTS OF APPEAL EXISTS REGARDING THE APPLICATION OF LACHES IN COPYRIGHT INFRINGEMENT CASES 19

A. Recognition of laches by the circuit courts of appeal prior to the Copyright Act's enactment of a statute of limitations 19

B. The Circuits' split subsequent to the statute of limitations amendment to the Copyright Act 22

1. Circuit Courts adopting a total or presumptive bar on the application of laches to the Copyright Act's statute of limitations 24

2. The Circuit Courts that sometimes apply laches to a copyright infringement action only permit it to bar claims in equity, not damages at law 26

3. The Ninth Circuit allows the use of laches to bar actions in equity and at law, including past, present, and future infringements 28

IV. THE CURRENT ABERRANT APPROACH TO THE USE OF LACHES IN COPYRIGHT INFRINGEMENT ACTIONS BY THE NINTH CIRCUIT IS A DEPARTURE FROM ITS PRIOR, WELL-REASONED RULE 29

A. Although The Ninth Circuit Had Crafted A Clear And Rational Rule Denying The Availability Of Laches In Copyright Infringement Actions, It Has Since Imprudently Abandoned It 29

B. The Ninth Circuit Misapplied Two Of Its Prior Decisions And Replaced Its Clear And Rational Rule Prohibiting The Use Of Laches In Copyright Infringement Actions 32

CONCLUSION 37

TABLE OF AUTHORITIES

CASES

Agency Holding Corp. v. Malley-Duff & Assocs., Inc., 483 U.S. 143 (1987) 9

Baxter v. Curtis Industr., Inc., 201 F. Supp. 100 (N.D. Ohio 1962) 20

Bouchat v. Baltimore Ravens Ltd. P'ship, 619 F.3d 301 (4th Cir. 2010) 18

Callaghan v. Myers, 128 U.S. 617 (1888) 19

Carew v. Melrose Music, Inc., 92 F. Supp. 971 (S.D.N.Y. 1950) 12

Cnty of Oneida v. Oneida Indian Nation, 470 U.S. 226 (1985) 25

Chirco v. Crosswinds Cmtys., Inc., 474 F.3d 227 (6th Cir. 2007) 21, 27

Cmty. for Creative Non-Violence v. Reed, 490 U.S. 730 (1989) 14

Compaq Computer Corp. v. Ergonome Inc., 387 F.3d 403 (5th Cir. 2004) 23

Consol. Canal Co. v. Mesa Canal Co., 177 U.S. 296 (1900) 7

Danjaq L.L.C. v. Sony Corp.,
263 F.3d 942 (9th Cir. 2001) ..... passim

Di Giovanni v. Camden Fire Ins. Ass'n,
296 U.S. 64 (1935) 7

Fogerty v. Fantasy, Inc.,
510 U.S. 517 (1994) 33

Gardner v. Panama R. Co.,
342 U.S. 29 (1951) 6

Gary Friedrich Enters., LLC v. Marvel Characters, Inc.,
716 F.3d 302 (2d Cir. 2013) 27

Gilmore v. Anderson,
38 F. 846 (C.C.S.D.N.Y. 1889) 19

Haas v. Leo Feist, Inc.,
234 F. 105 (S.D.N.Y. 1916) 21

Hampton v. Paramount Pictures Corp.,
279 F.2d 100 (9th Cir. 1960) 31, 32, 34

Hayden v. Chalfant Press, Inc.,
177 F. Supp. 303 (S.D. Cal. 1959) 34

Hedges v. Dixon Cnty.,
150 U.S. 182 (1893) 8

Holmberg v. Ambrecht,
327 U.S. 392 (1946) 9

Ivani Contracting Corp. v. City of New York,
103 F.3d 257 (2d Cir. 1997) 26

Jackson v. Axton,
25 F.3d 884 (9th Cir. 1994) ..... passim

Jacobsen v. Deseret Book Co.,
287 F.3d 936 (10th Cir. 2002) 25

Kling v. Hallmark Cards, Inc.,
225 F.3d 1030 (9th Cir. 2000) 34-36

Kurlan v. Columbia Broad. Sys.,
40 Cal. 2d 799 (1953) 12

Kwan v. Schlein,
634 F.3d 224 (2d Cir. 2011) 18

Lego A/S v. Best-Lock Const. Toys, Inc.,
874 F. Supp. 2d 75 (D. Conn. 2012) 27

Lyons P'ship, L.P. v. Morris Costumes, Inc.,
243 F.3d 789 (4th Cir. 2001) 15, 24

MacDonald v. Du Maurier,
75 F. Supp. 653 (S.D.N.Y. 1946) 20

Mackall v. Casilear,
137 U.S. 556 (1890) 9

MacLean Assocs., Inc. v.
Wm. M. Mercer-Meidinger-Hansen, Inc.,
952 F.2d 769 (3d Cir. 1991) 23

McCaleb v. Fox Film Corp.,
299 F. 48 (5th Cir. 1924) 12, 20

Merck & Co., v. Reynolds,
559 U.S. 633 (2010) 10

Mertens v. Hewitt Assocs.,
508 U.S. 248 (9th Cir. 1993) 7

Miller v. Maxwell's Intern. Inc.,
991 F.2d 583 (9th Cir. 1993) 30

Mount v. Book-of-the-Month Club, Inc.,
555 F.2d 1108 (2d. 1977).....22

New Era Publ'ns Intnl. ApS v.
Henry Holt and Co., Inc.,
873 F.2d 576 (2d Cir. 1989)..... 27

Ocasio v. Alfanno,
592 F. Supp. 2d 242 (D. Puerto Rico. 2008)...23

Peter Letterese and Assocs., Inc. v.
World Inst. Of Scientology Enters.
533 F.3d 1287 (11th Cir. 2008) 21, 24, 26

Peterson v. E.F. Johnson Co.,
366 F.3d 676 (8th Cir. 2004) 18

Petrella v. Metro-Goldwyn-Mayer, Inc.,
695 F.3d 946 (9th Cir. 2012) ..... passim

Pfeiffer v. C.I.A.,
60 F.3d 861 (D.C. Cir. 1995) 23

Piper Aircraft, Corp. v. Wag-Aero, Inc.,
741 F.2d 925 (7th Cir. 1984) 7

Prather v. Neva Paperbacks, Inc.,
446 F.2d 338 (5th Cir. 1971) 16, 20, 22

Reno v. Bossier Parish Sch. Bd.,
520 U.S. 471 (1997) 18

Roley v. New World Pictures, Ltd.,
19 F.3d 479 (9th Cir. 1994) ..... passim

Roulo v. Russ Berrie & Co., Inc.,
886 F.2d 931 (7th Cir. 1989).....23

Rouse v. Walter & Assocs., LLC,
513 F. Supp. 2d 1041 (S.D. Iowa 2007)..... 23

Royal Air Props., Inc. v. Smith,
312 F.2d 210 (9th Cir. 1962) 30

Tandy Corp. v. Malone & Hyde, Inc.,
769 F.2d 362 (6th Cir. 1985) 28

United States v. Mack,
295 U.S. 480 (1935) 9

Universal Pictures Co. v. Harold Lloyd Corp.,
162 F.2d 354 (9th Cir. 1947) 20

Weinberger v. Romero-Barcelo,
456 U.S. 305 (1982) 7

West Pub. Co. v. Edward Thompson Co.,
176 F. 833 (2d Cir. 1910)..... 20, 27

White v. Samsung Elecs. Am., Inc.,
989 F.2d 1512 (9th Cir. 2003) 28

Zuill v. Shanahan,
80 F.3d 1366 (9th Cir. 1996).....33

CONSTITUTION

U.S. Const. art. I, § 8.....11

STATUTES

17 U.S.C. § 115(b) (1970) 11, 13
17 U.S.C. § 507(b) (2006) ..... passim
28 U.S.C. § 1338(a) (2011) 14

FEDERAL RULES

Fed. Rules Civ. P. 2 7

CONGRESSIONAL REPORTS

H.R. Rep. No. 94-1476 (1976).....13
S. Rep. No. 85-1014 (1957).....passim

OTHER AUTHORITIES

Timothy S. Haskett, The Medieval English Court of Chancery, 14 Law & Hist. Rev. 245, 247-49 (1996).....6
Willliam Holdsworth, A History of English Law 461-62 (7th ed. 1966).....7

Herbert A. Howell,
The Copyright Law 166 (1952).....11

Melville B. and David Nimmer,
Nimmer on Copyright
(2013) ..... passim

William F. Patry,
Patry on Copyright (2013).....passim

John Pomeroy, Equity Jurisdiction (5th ed. 1941) 5

INTEREST OF THE *AMICI CURIAE*[1]

Amici curiae respectfully submit this brief pursuant to Supreme Court Rule 37 in support of Petitioner. Robert C. Lind is a professor at Southwestern Law School and the Director Emeritus of the Donald E. Biederman Entertainment and Media Law Institute. He has authored or co-authored widely used casebooks and treatises on copyright, and he has an interest in the sound development of this field. Michael M. Epstein is a professor of law and the Director of the pro bono Amicus Project at Southwestern Law School. He is the Supervising Editor of the Journal of International Media and Entertainment Law, published by the American Bar Association and the Biederman Institute. Amici Orly Ravid and Andrew Pruitt are upper-division J.D. candidates with extensive academic and professional interest in the entertainment industry.

---

[1] All parties have consented in writing to the filing of this brief. No counsel for a party authored this brief in whole or in part, and no counsel or party made a monetary contribution intended to fund the preparation or submission of this brief. Southwestern Law School provides financial support for activities related to faculty members' research and scholarship, which helped defray the costs of preparing this brief. (The School is not a signatory to the brief, and the views expressed here are those of the *amici curiae*.) Otherwise, no person or entity other than the *amici curiae* or its counsel has made a monetary contribution intended to fund the preparation or submission of this brief. Amici acknowledge the pro bono assistance of attorney Patricia C. Rosman. This brief was researched and prepared in the Amicus Project Practicum at Southwestern Law School.

Amici have no interest in any party to this litigation, nor do they have a stake in the outcome of this case other than their interest in correct, consistent interpretation of copyright law. As professors and students with experience in entertainment law, amici share a strong interest in the proper understanding and interpretation of the inapplicability of laches as a bar to remedies for copyright infringement that occur within the Copyright Act's statute of limitations, following the Ninth Circuit's decision in Petrella v. Metro-Goldwyn-Mayer, Inc., et al.

SUMMARY OF THE ARGUMENT

The parties in this case argue whether the equitable defense of laches may be used without restriction to bar copyright infringement claims brought within the statutory limit of three years. In support of Petitioner Paula Petrella, this brief argues that laches should never be an available defense in copyright infringement cases.

The equitable defense of laches is a judicially created doctrine that limits the time a party has to bring a suit. Its development dates back to fifteenth century English courts of equity, and applies the principles of fairness and justice to limit the period that a defendant may be vulnerable to a suit.

The merger of courts of law and courts of equity has sometimes resulted in the misapplication

of an equitable defense to actions of law, and laches is a prime example of this result. To this day, courts struggle to consistently apply laches in a way that balances the interests of plaintiffs with the prejudice defendants suffer from delayed claims.

Congress attempted to achieve this goal by establishing a three-year statutory limitation in the 1957 Amendment to the 1909 Copyright Act ("1957 Amendment"). Uniform application of this three-year period by the courts would have balanced the interests of plaintiff and defendants, limited forum shopping, and mitigated the complexity and costs of litigation, with effective and efficient remedies. And because Congress explicitly intended its law to preempt state statutes of limitations, courts are misguided in reverting to pre-1957 Amendment application of laches to limit the time in which a copyright infringement action must be brought.

The Court has previously explained that where a statute is the product of careful compromise, it is especially appropriate to strictly adhere to the statute's language. Before settling on three years as the national standard for statutory limitation on copyright infringement actions, Congress carefully weighed a wide range of state statutes and public policies. Therefore, it is inappropriate for courts to use the doctrine of laches to bar suits brought within the three-year statutory period.

Furthermore, Congress emphasized that the statutory period merely limits a plaintiff's remedy; it does not bar a plaintiff's underlying rights. However, the use of laches to completely bar claims, even against present and future infringements, amounts to nothing less than a complete bar of a copyright owner's underlying rights, and is thus directly in conflict with Congress's intent.

Nonetheless, there is a significant circuit split on whether, and how, laches may bar claims within the statutory period. The circuits that bar such application of laches are faithful to the separation of powers doctrine and adhere to Congressional intent. However, to varying degrees other circuits allow laches to bar both remedies at law and in equity, despite a claim's compliance with the statutory period. The Ninth Circuit, which allows the broadest reach of laches in copyright infringement cases in terms of both legal availability and factual application, is astonishingly favorable to defendants.

The Ninth Circuit currently allows laches to apply to alleged infringements within the three-year statutory period and to ongoing, future infringements. Thus, the Ninth Circuit is allowing laches to destroy a copyright owner's underlying right to protect the copyrighted work.

In doing so, the Ninth Circuit departed from its prior 1994 rule that laches could never be used to restrict actions brought within the statutory period.

This rule was well-reasoned and clear, and it was consistent with Ninth Circuit decisions outside of copyright, which also held that where a statute of limitations is express, laches may not be invoked to restrict a claim.

The current Ninth Circuit rule was established in *Danjaq L.L.C. v. Sony Corp.*, a 2001 copyright infringement case. In support of the proposition that laches may be used to bar claims brought within the statutory period, *Danjaq* cited two prior Ninth Circuit cases. The first was a 1994 copyright ownership dispute where the Ninth Circuit had expressly based its decision on the distinction between a copyright infringement case and a copyright ownership dispute. The second was a 2000 case that criticized the district court for failing to note that very distinction. Thus, the Ninth Circuit's current rule is not only a departure from Congressional intent, but also unsupported by the precedent upon which it relied.

The Court should establish a strict rule that laches may never bar claims brought within the three-year statutory period. Such a rule is consistent with Congressional intent and the separation of powers doctrine, and properly balances the interests of copyright owners and defendants.

ARGUMENT

I. THE HISTORY OF LACHES AND ITS INITIAL APPLICATION TO COPYRIGHT INFRINGEMENT ACTIONS.

Laches developed in separate courts of equity, prior to the development of statutes of limitations. *See* John Pomeroy, Equity Jurisprudence §§ 418-19a (5th ed. 1941). The equitable defense of laches, a judicially created doctrine, limits the time a party can bring suit and bars claims seeking equitable relief. *Gardner v. Panama R. Co.*, 342 U.S. 29, 30 (1951). This Court established the elements required for the affirmative equitable defense of laches to bar a claim: unreasonable or "inexcusable delay," and the ensuing "prejudice to the defendant." *Id.*

Laches dates back to fifteenth century England, when the Chancellor in Equity, a churchman known as the "King's Conscience," presided over alternative dispute resolution based on justice and fairness, not the rigors of precedent and the letter of the law. Applying laches, the Chancellor could decline to grant relief if the claimant inordinately delayed and caused prejudice to the defendant. *See* Timothy S. Haskett, The Medieval English Court of Chancery, 14 Law & Hist. Rev. 245, 247-49 (1996).

Equitable remedies are traditionally available only when court intervention is necessary to restrain injurious conduct or prevent serious harm. *Consol. Canal Co. v. Mesa Canal Co.*, 177 U.S. 296, 302 (1900). The typical equitable remedies are: injunction, mandamus, and restitution. *Mertens v. Hewitt Assocs.*, 508 U.S. 248, 248 (9th Cir. 1993).

In general, equitable remedies are only available to a plaintiff when a remedy at law is unavailable or inadequate. *Di Giovanni v. Camden Fire Ins. Ass'n*, 296 U.S. 64, 69 (1935). The "basis for injunctive relief in the federal courts has always been irreparable injury and the inadequacy of legal remedies." *Weinberger v. Romero-Barcelo*, 456 U.S. 305, 312 (1982). The purpose of laches is conveyed by the maxim that "one who seeks the help of a court of equity must not sleep on his rights." *Piper Aircraft, Corp. v. Wag-Aero, Inc.*, 741 F.2d 925, 939 (7th Cir. 1984) (Posner, J., concurring).

Over time, law and equity merged such that precedent infused equity and strict legal rules were relaxed in courts of law. William Holdsworth, A History of English Law 461-62 (7th ed. 1966). In spite of the unification of law and equity recognized in the American legal system,[2] the courts have been divided and inconsistent in the application of the

---

[2] The Federal Rules of Civil Procedure merged law and equity for procedural purposes in civil litigation, creating "one form of action." Fed. Rules Civ. P. 2.

equitable defense of laches to actions at law, which is the current issue before this Court. Thus, the merger of law and equity has sometimes resulted in the inequitable misapplication of an equitable defense to an action at law. Petitioner, in the instant case, has suffered precisely this type of unjust misapplication.

Courts agree that equitable remedies or defenses may not counter statutory provisions because to do so would contravene the direct dictates of Congress. "[W]herever the rights or the situation of parties are clearly defined and established by law, equity has no power to change or unsettle those rights or that situation, but in all such instances the maxim 'equitas sequitur legem' [equity follows the law] is strictly applicable." *Hedges v. Dixon County*, 150 U.S. 182, 192 (1893); *accord United States v. Coastal Ref. & Mktg., Inc.*, 911 F.2d 1036, 1043 (5th Cir. 1990).

Given that the equitable defense of laches pre-dated statutes of limitations, it stands to reason that it is focused on balancing the interests of plaintiffs with a limitation on the time period defendants remain vulnerable to suit:

> The doctrine of laches is based upon grounds of public policy, which requires for the peace of society the discouragement of stale demands; and where the difficulty of doing entire

> justice by reason of the death of the principal witness or witnesses, or from the original transactions having become obscured by time, is attributable to gross negligence or deliberate delay, a court of equity will not aid a party whose application is thus destitute of conscience, good faith, and reasonable diligence.

Mackall v. Casilear, 137 U.S. 556, 566 (1890).

This important goal is satisfied, however, with express uniform federal statutes of limitations, designed to limit forum shopping, mitigate the complexity and costs of litigation, while also providing a window of time for effective remedies to injured plaintiffs. *See Agency Holding Corp. v. Malley-Duff & Assocs., Inc.*, 483 U.S. 143, 144 (1987). The purpose of laches, a defense based on timeliness, is now achieved by statutes of limitation, and yet, the courts of appeal currently disagree as to whether and when laches may apply where there is a Congressional express statute of limitations.

This Court has found laches is misplaced when claims involve an express statute of limitations. *See e.g., United States v. Mack*, 295 U.S. 480, 489 (1935) (in regard to the National Prohibition Act, this Court held that "[l]aches within the term of the statute of limitations is no defense at law."); *Holmberg v. Ambrecht*, 327 U.S. 392, 395 (1946) ("If Congress explicitly puts a limit upon the

time for enforcing a right which it created, there is an end to the matter. The Congressional statute of limitation is definitive."); *Merck & Co., Inc. v. Reynolds*, 559 U.S. 633, 652 (2010) (laches could not bar an investors' securities fraud class action against a drug manufacturer).

In regard to the Copyright Act and its three-year statute of limitations, 17 U.S.C. § 507(b), the circuits are divided as to whether laches is a recognized defense to copyright infringement. *See* 3 Melville B. Nimmer and David Nimmer, Nimmer on Copyright § 12.06[A] (2013). The result has been an inconsistent application of the defense of laches by federal courts in copyright infringement cases. Those courts that permit a laches defense in copyright infringement cases are acting contrary to federal legislation that is intended to mitigate forum shopping and other deleterious results that may be caused by diverting from a uniform limitation period. *See* S. Rep. No. 85-1014, at 1-2 (1957). The Senate Committee noted agreement that three years was the "most equitable," in light of "contrary interests" it took into account. *Id.* at 2.

II. CONGRESS INTENDED THE COPYRIGHT ACT'S STATUTE OF LIMITATIONS TO BE UNIFORMLY APPLIED.

A. Congress Clearly Intended For Its Federal Law To Apply Uniformly And To Abrogate The Previously Applied State Law Statutes Of Limitation To Copyright Infringement Claims.

The initial copyright law of the United States was enacted by the First Congress in 1790, pursuant to Congress's constitutional power "To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." U.S. Const. art. I, § 8. The 1976 Copyright Act, 17 U.S.C. § 507(b), re-codified the 1957 Amendment to the 1909 Copyright Act (hereinafter "1957 Amendment"), adding an express statute of limitations, to the 1909 Copyright Act. Act of Sept. 7, 1957, Pub. L. No. 85 -313, § 1, 71 Stat. 633 (1957), codified at 17 U.S.C. § 115(b) (1970).

The Copyright Act of 1909 did not initially contain a statute of limitations for civil copyright infringement actions. Herbert A. Howell, The Copyright Law 166 (1952). Case law and legislative history note that federal courts applied state statutes of limitations for various causes of action that ranged from one to eight years. *See e.g.*,

McCaleb v. Fox Film Corp., 299 F. 48, 49 (5th Cir. 1924) (federal court applying applicable tort statute of limitations in the state in which the copyright infringement was brought); *Kurlan v. Columbia Broadcasting System*, 40 Cal. 2d 799, 799 (Cal. 1953) (state civil code statute of limitations applied in copyright infringement action); *Carew v. Melrose Music, Inc.*, 92 F. Supp. 971, 971 (S.D.N.Y. 1950) (noting that "since the Copyright Act, 17 U.S.C.A 1 et seq., prescribes no limitation on the commencement of an action for infringement" either the three-year property statute of limitations or the six-year statute of limitations for civil actions would apply).

The legislative history of the 1957 Amendment reflects Congress's deliberate effort to remedy this divergence in the application of state statutes of limitations to copyright actions. *See* S. Rep. No. 85-1014, at 1-2 (1957). The "centralization of the movie industry" was cited to explain California's two-year tort statute of limitations, as compared to "other states where the incident of copyright actions is low" and that have, consequently, "applied longer periods for the commencement of the actions," such as Wyoming's eight-year statute of limitations. *Id.* at 2.

Congress addressed this wide range of state statutes of limitations in 1957 by amending the 1909 Copyright Act to create a uniform national standard

for a statute of limitations in copyright infringement actions. 17 U.S.C. § 115(b) (1970) ("no civil action shall be maintained under the provisions of this title unless the same is commenced within three years after the claim accrued."); S. Rep. No. 85-1014, at 2 (1957). Congress considered the various durations of the state statutes of limitation and decided "three years is an appropriate period for a uniform statute of limitations for civil copyright actions and that it would provide an adequate opportunity for the injured party to commence his action." S. Rep. No. 85-1014, at 1-2 (1957). Congress created the single statute of limitations expressly for the purpose of establishing uniformity of law and eliminating "forum shopping by claimants." *Id.* at 2.

In 1976, Congress incorporated the 1909 Copyright Act's statute of limitations into section 507(b) of the 1976 Copyright Act. H.R. Rep. No. 94-1476, at 47 (1976). *See* 17 U.S.C § 507(b) (2006) ("No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued."); 3 Melville B. Nimmer and David Nimmer, Nimmer on Copyright § 12.05[A] (2013).

Additionally, Congress intended to have federal copyright law preempt any corresponding state law. H.R. Rep. No. 94-1476, at 129-31 (1976). (Congress resolving that "[a]ll corresponding State laws, whether common law or statutory, are

preempted and abrogated."). Given that Congress made expressly clear that the Copyright Act preempts state law regarding copyright actions, courts' reversion to pre-statute of limitations application of laches to copyright infringement actions is wholly mistaken.

This Court acknowledged Congress's "express objective of creating national, uniform copyright law by broadly pre-empting state statutory and common-law copyright regulation" in *Cmty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 741 (1989). In that case, this Court explained that strict adherence to a statute's language is especially appropriate where the statute results from careful compromises. *Id.* at 748 n.14.

Congress's adoption of a three-year statute of limitations went a long way towards removing state notions of law and equity from interfering with the exclusive federal jurisdiction over copyright infringement actions. *See* 28 U.S.C. § 1338(a) (2011). Permitting a laches defense in copyright infringement actions obstructs Congress's objectives for a national, clear uniform period within which a copyright owner can enforce her rights.

By allowing the application of laches to shorten the three years the Copyright Act allows for bringing suit, the courts are in direct contravention of the Congressional determination that three years was the appropriate period of time. It is clear that

Congress intended a strict rule that plaintiffs may file copyright infringement actions only within a three-year period preceding the filing of the complaint and that laches must not be applied to claims brought within the statute of limitations period. *See Lyons Partnership, L.P. v. Morris Costumes, Inc.*, 243 F.3d 789, 797 (4th Cir. 2001) (reasoning that the separation of powers principle does not permit a judicially created equitable rule about timeliness "to bar claims that are brought within the legislative prescribed statute of limitations."); 6 Patry On Copyright § 20:55 (2013).

B. Congress Made Clear That Equitable Defenses May Only Restrict Remedies, Not Affect Rights.

Pursuant to discussions regarding the statute of limitation, Congress emphasized that the three-year limitation affects only a copyright plaintiff's remedies, not any of a plaintiff's rights. S. Rep. No. 85-1014, at 3 (1957). The House Committee specifically considered whether the statute of limitations would exert a limitation on a plaintiff's substantive rights or just the remedies. *Id.* (Noting that for the former, a person's right of action is extinguished at the end of the period and courts usually have no jurisdiction with regard to actions that are not instituted within the appropriate period.). *Id.*

The Senate Committee report dealing with the 1957 Amendment further explained that a copyright plaintiff's right of action cannot be extinguished prior to the end of the statute of limitations period and that courts usually have no jurisdiction to truncate the Congressionally established limitations period for reasons relating to time. *Id.* (Committee expressly noted that "the courts generally do not permit the intervention of equitable defenses or estoppel where there is a limitation on the right."). The Senate Committee report explained that "[u]nder the remedial type of statute, the basic right is not extinguished, but the limitation is applied merely to the remedy." *Id.*; *see also Prather v. Neva Paperbacks, Inc.*, 446 F.2d 338, 339 (5th Cir. 1971) (commenting on Congress's clear intent to have the statute of limitations affect only the remedy, not the substantive right).

The use of laches in the courts since the 1957 Amendment at times ignores the distinction between a statute of limitations that limits only the remedy with that which also limits substantive rights. Consequently, copyright plaintiffs' rights may be extinguished in some courts when the plaintiffs' ability to enforce their rights under the Copyright Act is barred, due to the variety of colorable factual circumstances that influence a court's determination that the requirements for laches have been met.

In the case currently before this Court, Petitioner's rights under the Copyright Act have been extinguished by the Ninth Circuit's recognition of the defense of laches, even though Petitioner brought her claim within the three-year statute of limitations. As a result, Petitioner is forever barred from enforcing her rights under the Copyright Act against Respondents. *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 695 F.3d 946, 956 (9th Cir. 2012), cert. granted, 81 USLW 3641 (U.S. Oct. 01, 2013) (No. 12-1315); *see also Danjaq L.L.C., v. Sony Corp.*, 263 F.3d 942, 951 (9th Cir. 2001) (where the Ninth Circuit disregarded critical provisions of the Copyright Act by holding that the newly infringing release of a James Bond motion picture could not trigger a new statute of limitations period that should have withstood a laches defense applied to past infringement). In this way, the Ninth Circuit allows laches to bar a copyright owner's rights, not merely remedies.

Such undermining of a copyright owner's ability to protect her copyrights against current and future infringements runs counter to the 1976 Copyright Act. It is a well-established construction of the Copyright Act that the statute of limitations period runs specifically and discretely as to each and every act of infringement, even if the conduct is part of a continuing series of infringements. *See* 3 Melville B. Nimmer & David Nimmer, Nimmer on Copyright § 12.05[B][1][b] (2013); 6 William F.

Patry, Patry on Copyright § 20:23 (2013) (referring to this as the "separate accrual rule."); *Bouchat v. Baltimore Ravens Ltd. P'ship*, 619 F.3d 301, 316 (4th Cir. 2010) (Fourth Circuit citing its precedent and that of the Second Circuit in noting "each act of infringement is a distinct harm giving rise to an independent claim for relief."); *Kwan v. Schlein*, 634 F.3d 224, 228 (2d Cir. 2011) ("an infringement action may be commenced within three years of *any* infringing act, regardless of any prior acts of infringement; we have applied the three-year limitations period to bar only recovery for infringing acts occurring outside the three-year period.") (emphasis in original).

The merger of law and equity has led some courts to ignore Supreme Court holdings that draw a distinction between law and equity, obviating the principle that a plaintiff cannot obtain in equity what is forbidden or not provided for in law. *See Reno v. Bossier Parish Sch. Bd.*, 520 U.S. 471 (1997) ("it is well established that courts of equity can no more disregard statutory . . . requirements and provisions than courts of law."); *accord Peterson v. E.F. Johnson Co.*, 366 F.3d 676, 680 (8th Cir. 2004) (following the established rule that "[a] court in equity may not do that which the law forbids" and the old maxim "equity follows the law.").

The Petitioner in the instant case has been victimized by the Ninth Circuit's decision to apply an

equitable limitation on an action at law. Although her copyright infringement claim as the statutory successor to the renewal rights in the works at issue was timely under the Copyright Act, the Ninth Circuit permitted laches to bar not only her remedies at law as to any past infringement, but also as to any relief related to prospective infringements. *See Petrella*, 695 F.3d at 955-56. Essentially, the Ninth Circuit has foreclosed all of Petitioner's rights and remedies that are statutorily available under the Copyright Act with respect to each act of infringement.

III. A Split Among The Circuit Courts Of Appeal Exists Regarding The Application Of Laches In Copyright Infringement Cases.

A. Recognition Of Laches By The Circuit Courts Of Appeal Prior To The Copyright Act's Enactment Of A Statute Of Limitations.

As early as 1888, this Court decided that laches did not bar a copyright infringement claim brought under the 1831 Copyright Act and district courts followed that dictate. *See Callaghan v. Myers*, 128 U.S. 617, 658 (1888); *Gilmore v. Anderson*, 38 F. 846, 848 (C.C.S.D.N.Y 1889).

Prior to the 1957 Amendment there was no express statute of limitations in the Copyright Act

for federal courts to follow in copyright infringement actions. *Baxter v. Curtis Industr., Inc.*, 201 F. Supp. 100, 100 (N.D. Ohio 1962) (noting that the express statute of limitations period was legislated by Congress to "cure [the] evil" of the divergence of previously governing state statutes of limitations). Before the 1957 Amendment, federal courts relied on state statutes of limitation or merely their discretion based on the facts. *See, e.g., Prather v. Neva Paperbacks, Inc.*, 446 F.2d 338, 339-40 (5th Cir. 1971); *McCaleb v. Fox Film Corp.*, 299 F. 48, 49 (5th Cir. 1924) (applying Louisiana statute of limitations); *MacDonald v. Du Maurier*, 75 F. Supp. 653, 654 (S.D.N.Y. 1946) (applying no stated specific state statute of limitations regarding the famous Du Maurier novel *Rebecca*, later turned into a classic Academy Award-winning film by Alfred Hitchcock); *West Pub. Co. v. Edward Thompson Co.*, 176 F. 833, 838 (2d Cir. 1910) (in copyright infringement action concerning the publisher of law reports the court relied on its own discretion in finding an unreasonable delay, noting that laches did not bar relief at law); *Universal Pictures Co. v. Harold Lloyd Corp.*, 162 F.2d 354, 373 (9th Cir. 1947).

In another early twentieth century copyright infringement suit brought in equity, seeking an injunction and an accounting previous to the 1957 Amendment, Judge Learned Hand creatively turned to equity to fashion a remedy in the absence of clear direction from the Copyright Act:

> It must be obvious to everyone familiar with equitable principles that it is inequitable for the owner of a copyright, with full notice of an intended infringement, to stand inactive while the proposed infringer spends large sums of money in its exploitation, and to intervene only when his speculation has proved a success. Delay under such circumstances allows the owner to speculate without risk with the other's money; he cannot possibly lose, and he may win.

Haas v. Leo Feist, Inc., 234 F. 105, 108 (S.D.N.Y. 1916).

Judge Learned Hand's view influenced later courts. *See e.g., Chirco v. Crosswinds Cmtys., Inc.*, 474 F.3d 227, 232 (6th Cir. 2007) (citing *Danjaq LLC v. Sony Corp.*, 263 F.3d 942, 951 (9th Cir. 2001) (the Ninth Circuit, in turn, citing *Haas v. Leo Feist, Inc.* 234 F. at 108). *But see Peter Letterese and Assocs., Inc. v. World Inst. of Scientology Enters.*, 533 F.3d 1287, 1320-21 (11th Cir. 2008) (Learned Hand's reasoning should no longer be applied because the subsequent 1957 Amendment resolved issues of timeliness in filing a claim).

B. The Circuits' Split Subsequent To The Statute Of Limitations Amendment To The Copyright Act.

There are a few published decisions that evidenced courts specifically adhering to the statute of limitations enacted in the 1957 Amendment. *See Prather v. Neva Paperbacks, Inc.*, 446 F.2d 338, 339 (5th Cir. 1971) (refusing to apply local equitable doctrine, the Florida Blameless Ignorance Rule, and construing Congress's clear intent for uniformity as requiring that even equitable tolling of the statute of limitations be "derived from general principles applicable to every forum" and not state-specific principles or equitable defenses); *Mount v. Book-of-the-Month Club, Inc.*, 555 F.2d 1108, 1111 (2d. 1977) (adhering to the statute of limitations).

Petitioner in the instant case was barred from pursuing her rights under the Copyright Act when the Ninth Circuit affirmed the district court's summary judgment in favor of the Respondents. Petitioner's causes of actions were at law, seeking damages for acts of infringement that fell within the statutory limitations period and yet she was barred both from relief at law due under the statutory period and from prospective relief. *Petrella*, 695 F.3d at 956.

Presently, there are conceivably three categories that describe the courts of appeal's approach to laches as an affirmative defense for

copyright infringement actions: 1) a total or virtually total bar on applying laches to copyright infringement actions filed within the statute of limitations period; 2) a slightly more permissive application of laches, allowing it to be applied to equitable relief when there are special or extreme circumstances, but not to actions at law; and 3) the Ninth Circuit, that permits laches to shorten the time a copyright plaintiff has to file a cause of action, whether in equity or at law.[3]

---

[3] The First, Third, Fifth, Seventh, Eighth, and D.C. Circuit Courts of Appeal do not bar laches, but hear very few copyright cases and rarely apply the defense. *See Ocasio v. Alfanno*, 592 F. Supp. 2d 242, 245 (D. Puerto Rico. 2008) (First Circuit is "silent as to whether laches applies to claims under the Copyright Act."); *MacLean Assocs., Inc. v. Wm. M. Mercer-Meidinger-Hansen, Inc.* 952 F.2d 769, 780-81 (3d Cir. 1991) (laches explained, but did not bar action); *Compaq Computer Corp. v. Ergonome Inc.*, 387 F.3d 403, 406 (5th Cir. 2004) (laches allowed to bar a copyright infringement claim, but there are few published copyright cases from which to distill clear rules regarding laches); *Roulo v. Russ Berrie & Co., Inc.*, 886 F.2d 931, 942 (7th Cir. 1989) ("A two year delay in filing an action following knowledge of the infringement has rarely been held sufficient to constitute laches."); *Rouse v. Walter & Assocs., LLC*, 513 F. Supp. 2d 1041, 1067 (S.D. Iowa 2007) (noting that "[w]hile the Eighth Circuit has not squarely addressed whether laches applies to a claim of copyright infringement, it has recognized that laches generally cannot bar a federal statutory claim where the statute under which that claim is brought contains an express limitations period within which the action is considered timely."); *Pfeiffer v. C.I.A*, 60 F.3d 861, 865 (D.C.

1. Circuit Courts adopting a total or presumptive bar on the application of laches to the Copyright Act's statute of limitation.

The circuits that bar the application of laches to copyright infringement actions are faithful to the separation of powers doctrine and adhere to the Congressional intent that the limitations period affects only the remedy. *See Peter Letterese and Assocs., Inc. v. World Inst. of Scientology Enters*, 533 F.3d 1287, 1320-21 (11th Cir. 2008); *Lyons Partnership, L.P. v. Morris Costumes, Inc.*, 243 F.3d 789, 798 (4th Cir. 2001). Additionally, these courts uphold clear distinctions between equitable remedies and defenses, refusing to allow equitable defenses to apply to remedies sought at law, such as damages. *Id.*

In a case involving Barney, the purple dinosaur character made popular on children's television, the Fourth Circuit reversed the district court's holding that the plaintiff's delay, a four-year gap in time between the awareness of copyright infringement and the filing of a copyright infringement suit, was "inexcusable." *Lyons Partnership, L.P.*, 243 F.3d at 796. In reversing the

---

Cir. 1995) (theoretically permitted laches, but did not apply the defense).

district court, the Fourth Circuit clearly determined that the statute of limitations applies to both legal and equitable remedies, holding that the judicially created doctrine of laches could not shorten the statute of limitations for either equitable relief or a remedy at law. *Id.* at 798. "[I]n connection with the copyright claims, separation of powers principles dictate that an equitable timeliness rule adopted by courts cannot bar claims that are brought within the legislatively prescribed statute of limitations." *Id.*

In general, the Fourth Circuit explained that while "[t]he fuzziness of these equitable principles . . . maybe apropos for the apparently soft and fuzzy Barney, nonetheless provide no defense of laches for his actions at law." *Id.* (citing this Court in *Cnty. of Oneida v. Oneida Indian Nation*, 470 U.S. 226, 244 n.16 (1985) ("application of the equitable defense of laches in an action at law would be novel indeed")).

The Tenth Circuit very rarely allows laches to bar copyright claims filed within the statute of limitations period. *Jacobsen v. Deseret Book Co.*, 287 F.3d 936, 950-51 (10th Cir. 2002) ("because laches is a judicially created equitable doctrine, whereas statues of limitations are legislative enactments, it has been observed that in deference to the doctrine of the separation of powers, the Supreme Court has been circumspect in adopting principles of equity in the context of enforcing federal statutes.").

Although the Eleventh Circuit has not completely barred laches, it has come quite close by establishing a presumption that laches should not be applied to copyright infringement actions filed within the established three-year statute of limitations period. That presumption may be rebutted only with the most "extraordinary" or "exceptional circumstances" justifying application of the judicially created defense. *Peter Letterese and Assocs., Inc., v. World Inst. of Scientology Enters*, 533 F.3d 1287, 1320-21 (11th Cir. 2008). The court elaborated that even with extraordinary circumstances, laches may bar only retrospective damages, not prospective relief. *Id.* at 1321.

2. The circuit courts that sometimes apply laches to a copyright infringement action only permit it to bar claims in equity, not damages at law.

The few courts of appeal that permit laches to bar copyright infringement claims do so only in regard to equitable relief, and generally not to actions at law. Both the Second and Sixth Circuits do not allow laches to bar actions at law.

The Second Circuit has held generally that "when a plaintiff brings a federal statutory claim seeking legal relief, laches cannot bar that claim, at least where the statute contains an express limitations period within which the action is timely."

Ivani Contracting Corp. v. City of New York, 103 F.3d 257, 259 (2d Cir. 1997). The Second Circuit, however, sometimes upholds a laches defense against granting injunctive relief due to unreasonable delay and evidentiary prejudice to the defendant. *See Gary Friedrich Enters., LLC. v. Marvel Characters, Inc.*, 716 F.3d 302, 317, n.17 (2d Cir. 2013). However, even when barred from injunctive relief, plaintiffs in the Second Circuit are still entitled to damages at law. *West Pub. Co. v. Edward Thompson Co.*, 176 F. 833, 838 (2d Cir. 1909); *New Era Publications Int'l. ApS v. Henry Holt and Co., Inc.*, 873 F.2d 576, 597-98 (2d Cir. 1989); *see also Lego A/S v. Best-Lock Const. Toys, Inc.*, 874 F. Supp. 2d 75, 89 (D. Conn. 2012).

The Sixth Circuit allows laches, based on "inordinate delay" and prejudice in actions for claims for equitable relief, but "give[s] effect to the presumption that the statute of limitations will prevail" as to monetary damages sought pursuant to the Copyright Act. *See Chirco v. Crosswinds Cmtys., Inc.*, 474 F.3d 227, 229, 233-34, 235-36 (6th Cir. 2007) (laches barred real estate developer from getting court order granting destruction of copyrighted architectural works, in an action for copyright infringement).

Notwithstanding the tentative permissiveness of laches in copyright infringement actions involving equitable relief, the Sixth Circuit attempts to adhere

to the statute of limitations, emphasizing the beneficial use of "the statutory period as the laches period." *Tandy Corp. v. Malone & Hyde, Inc.*, 769 F.2d 362, 365 (6th Cir. 1985). In *Tandy*, the Sixth Circuit observed, "[i]t enhances the stability and clarity of the law by applying neutral rules and principles in an evenhanded fashion rather than making the question purely discretionary. *Id.*

3. The Ninth Circuit allows the use of laches to bar actions in equity and at law, including past, present, and future infringements.

The Ninth Circuit allows the broadest application of laches to bar claims within the statutory period. Not only may laches be used to bar both legal and equitable remedies, but laches may also completely bar a copyright owner's rights with regard to all infringement claims–past, present, and future. *See Danjaq LLC v. Sony Corp.*, 263 F.3d 942, 959 (9th Cir. 2001).

The Ninth Circuit has not limited its application of laches to these uniquely broad principles. The so-called "Court of Appeals for the Hollywood Circuit,"[4] will presume a plaintiff's claims

---

[4] *White v. Samsung Electronics Am., Inc.*, 989 F.2d 1512, 1521 (9th. Cir. 2003) (Kozinski, J., dissenting

are barred by laches whenever "any part of the alleged wrongful conduct occurred outside the limitations period," *Petrella*, 695 F.3d at 951. The sum of these rules produces an astonishingly favorable treatment of copyright infringement defendants in the Ninth Circuit. The history of these rules is explored in the following section.

IV. THE CURRENT ABERRANT APPROACH TO THE USE OF LACHES IN COPYRIGHT INFRINGEMENT ACTIONS BY THE NINTH CIRCUIT IS A DEPARTURE FROM ITS PRIOR, WELL-REASONED RULE.

The Ninth Circuit's current rule that laches may fully bar past, present, and future copyright infringement claims brought within the statutory period is both incompatible with the plain language of section 507(b) and a departure from the Circuit's earlier approach of clearly prohibiting the use of laches as a defense to copyright infringement.

A. Although The Ninth Circuit Had Crafted A Clear And Rational Rule Denying The Availability Of Laches In Copyright Infringement Actions, It Has Since Imprudently Abandoned It.

In 1994, the Ninth Circuit correctly formulated a strict rule that laches may never be

---

from the order rejecting the suggestion for rehearing en banc).

used to restrict copyright infringement claims brought within the three-year statutory period. *See Roley v. New World Pictures, Ltd.*, 19 F.3d 479, 481 (9th Cir. 1994).

> Section 507(b) is clear on its face. It does not provide for a waiver of infringing acts within the limitation period if earlier infringements were discovered and not sued upon, nor does it provide for any reach back if an act of infringement occurs within the statutory period. . . . Lest there be any confusion regarding the law in this Circuit on this particular point, we adopt this view.

Id. (internal citations omitted). This rule was clear, followed Congressional intent, and was consistent with Ninth Circuit cases outside of copyright law that refused to recognize the use of laches as a defense in actions based on statutes containing express statute of limitations provisions. *See, e.g. Miller v. Maxwell's Intern. Inc.*, 991 F.2d 583, 586 (9th Cir. 1993) (reversing summary judgment in a federal employment discrimination case where laches had been asserted as a defense, holding "the doctrine of laches is inapplicable when Congress has provided a statute of limitations to govern the action"); *Royal Air Properties, Inc. v. Smith*, 312 F.2d 210, 214 (9th Cir. 1962) ("[w]here Congress has provided a specific and relatively short statute of

limitations, it can be inferred that the federally created limitation is not to be cut short").

In *Roley*, the plaintiff attended a 1987 screening for a movie titled "Sister, Sister" and claimed it violated his copyright in the screenplay "Sleep Tight Little Sister." *Roley*, 19 F.3d at 480. He did not file suit until 1991, however, and "Sister, Sister" was shown in theaters and performed on television over those four years. The Ninth Circuit ruled on the merits of all the alleged infringements that accrued within three years of the filing of the plaintiff's complaint for copyright infringement, expressly rejecting the idea that laches could bar any claim of infringement within the statutory period. *Id.* at 481.

Declaring that, in "case[s] of continuing copyright infringements, [actions] may be brought for all acts that accrued within the three years preceding the filing of the" action, *id.*, the Ninth Circuit in *Roley* cited and built upon its 1960 decision in *Hampton v. Paramount Pictures Corp.*, 279 F.2d 100 (9th Cir. 1960). In *Hampton*, the Ninth Circuit held that delay with regard to one act of infringement could not bar a claim against another, more recent act, even if the acts were identical. *See id.* at 105. The defendant in *Hampton* was enjoined against future acts of publicly performing the copyrighted work, despite evidence that the plaintiff's suit was unreasonably delayed with

regard to similar public performance infringements committed over a thirteen-year period. *Id.*

Although *Hampton* made no express mention of the three-year statute of limitations established three years earlier by the 1957 Amendment, it refused to apply laches to any alleged infringements within that period. In doing so, the Ninth Circuit faithfully applied the standard Congress established in order to properly balance public policy concerns, the rights of copyright owners, and the reasonable interests of defendants. Nonetheless, *Hampton* did not expressly forbid the application of laches to claims brought within the statutory period. It was perhaps that concern that led the Ninth Circuit in *Roley* to unambiguously declare such an application of laches was inconsistent with section 507(b).

B. The Ninth Circuit Misapplied Two Of Its Prior Decisions And Replaced Its Clear And Rational Rule Prohibiting The Use Of Laches In Copyright Infringement Actions.

Sadly, the clear and rational rule established in *Roley* was ignored just three months later, and the Ninth Circuit has since completely forgotten it. The bases for the rule that has replaced it were one precedent that did not deal with copyright infringement, and another precedent that involved the unusual situation of the plaintiff's possible advance knowledge of a pending infringement.

In 1994, the Ninth Circuit addressed as a matter of first impression whether laches is an available defense against a suit seeking a declaratory judgment of co-ownership in a copyrighted work. *Jackson v. Axton*, 25 F.3d 884, 887 (9th Cir. 1994), overruled on other grounds, *Fogerty v. Fantasy, Inc.*, 510 U.S. 517 (1994). In *Jackson*, a dispute arose over the popular musical composition "Joy to the World," which was composed in 1970 and released on Hoyt Axton's solo album later that same year. Jackson, one of Axton's band members, claimed he was the co-author of the musical work. After several unsuccessful attempts between Jackson and Axton to negotiate terms pursuant to which Jackson would convey his interest to Axton, the issue remained unresolved. Twenty-one years after the musical work was composed, Jackson filed an action seeking the court's declaration of co-ownership and an accounting. *Id.* at 885-86. In holding that Jackson's suit was barred because he had unreasonably delayed in filing his action, the Ninth Circuit established a unique rule for the use of laches in copyright ownership claims. *See id.* at 888.

Since the decision in *Jackson*, all putative co-owners of a copyright who unreasonably delay in bringing their initial claim in the Ninth Circuit are forever barred from asserting a right to the exploitation of the copyrighted work. *See Zuill v. Shanahan*, 80 F.3d 1366, 1369 (9th Cir. 1996). This

approach varies from that taken in copyright infringement suits that permits successive lawsuits for each new infringement that separately accrues. *See* 3 Melville B. Nimmer & David Nimmer, Nimmer on Copyright § 12.05[B][1][b] (2013); 6 William F. Patry, Patry on Copyright § 20:23 (2013).

Although the Ninth Circuit in *Jackson* ignored its own rulings in both *Hampton* and *Roley*, it did consider a district court case factually similar to *Hampton*[5] and expressly distinguished claims of copyright ownership from claims of copyright infringement. *id.* at 888. Thus, the *Jackson* decision did not deal with, and was never intended to apply to, copyright infringement claims.

In fact, in a subsequent decision, *Kling v. Hallmark Cards, Inc.*, 225 F.3d 1030 (9th Cir. 2000), the Ninth Circuit criticized a district court for applying *Jackson* to a copyright infringement case. "The holding in *Jackson* involves copyright co-ownership, not infringement, and we emphasized that point. We stated specifically that laches is not applied here to [bar an action against future copyright infringements]." *Id.* at 1037. Nonetheless, *Kling* held that laches may bar an infringement claim brought within the statutory period in the narrow and unusual situation where the copyright owner knew or should have known of the specific

---

[5] *See Hayden v. Chalfant Press, Inc.*, 177 F. Supp. 303 (S.D. Cal. 1959), aff'd, 281 F.2d 543 (9th Cir. 1960).

planned infringement before it occurred.[6] *Id.* at 1039.

The rule currently used in the Ninth Circuit broadly allows laches to bar claims brought within the statutory period, including actions against future infringements, and is built directly upon its decisions in *Jackson* and *Kling*. *See Danjaq LLC v. Sony Corp.*, 263 F.3d 942, 954 (9th Cir. 2001). In *Danjaq*, the Ninth Circuit considered whether laches could bar a copyright infringement counterclaim that alleged continuing infringements dating back to thirty-six years before the counterclaim was filed. Essentially, this was the same issue that had been decided in *Roley* seven years earlier, resulting in the Ninth Circuit's strict rule prohibiting the use of laches to bar copyright infringement claims brought within the statutory period.

Nonetheless, ignoring the rule from *Roley* and citing its decision in *Jackson*, the Ninth Circuit in *Danjaq* declared it had "already determined that

---

[6] Though this rule is narrow and applies only to very unusual circumstances, it places an extraordinary burden on plaintiffs. Under *Kling*, plaintiffs are obliged to file suit "the moment they learn someone may be planning to infringe, on pain of having laches bar a suit brought within the limitations period." William F. Patry, Patry on Copyright § 20:55 (2013). The problems with such a rule become apparent when considering the situation where more than three years pass between the initial knowledge of the planned infringement and the actual act of infringement.

laches may sometimes bar a statutorily timely claim." *Id.* at 954. It held that laches may broadly apply to bar copyright infringement actions brought within the three-year statutory period, including bars on both remedies at law and in equity, and even may bar all actions against future infringements. *See id.* at 959.

In using *Jackson* as a basis for its decision, the Ninth Circuit undermined its own reasoning. The *Jackson* decision hinged on the distinction between claims of ownership and infringement, and was expressly intended to apply only to claims of ownership. *Jackson*, 25 F.3d at 888.

But surprisingly, in citing *Kling* as the second basis for its decision in *Danjaq*, the Ninth Circuit failed to notice it was relying on a case that criticized a district court for applying *Jackson* in the very same manner it was then doing in *Danjaq*. *See Kling*, 225 F.3d at 1037. Similarly to the case presently before this Court, *Danjaq* was purely an infringement case, and the rule established in *Jackson* has no place outside actions for a declaratory judgment of co-ownership.

Thus, the broad rule in *Danjaq* is unsupported by the cases it was built upon. Furthermore, it is inconsistent with the Ninth Circuit's own application of laches in areas outside of copyright where there is an express statute of limitations. The *Danjaq* rule is an aberration from the rules applied by other

Circuits, it is contrary to Congressional intent, and it unjustly favors the interests of defendants over those of copyright owners. The clear and rational decision in *Roley* shares none of these weaknesses, and the Ninth Circuit was imprudent in not continuing to follow its decision in *Roley*.

CONCLUSION

The circuit courts of appeal almost universally recognize that under the separation of powers doctrine, the judicially created defense of laches may not contravene the express letter of federal statutory law and the unambiguous intent of Congress. Moreover, a plaintiff's rights may not be extinguished by the affirmative defense of laches.

This Court need not be concerned about a resulting flood of litigation if laches were not to be allowed to shorten the statute of limitations period for copyright infringement actions. Such actions historically have been heard in the Ninth and Second Circuits, jurisdictions that contain numerous entertainment-related entities and activities. These same jurisdictions have permitted laches to truncate or eliminate the Copyright Act's statute of limitations period. Thus, one can reasonably infer, given that copyright plaintiffs can choose their federal forums, that a bar on laches will not trigger a flood of litigation. The floodgates are already open, and yet, in the Ninth Circuit, a plaintiff pursuing relief under federal law must face the punishing

consequences of the law being trumped by a circuit's inconsistent and incorrect application of laches.

November 20, 2013

Respectfully submitted,

Robert C. Lind
Counsel of Record
Michael M. Epstein
Amicus Project at
Southwestern Law School
3050 Wilshire Blvd.
Los Angeles, CA 90010
(213) 738-6774